

# 2021-2022



## PROPOSED BUDGET & FINANCIAL PLAN



City of Milpitas • California

# City of Milpitas

## Community Vision

Milpitas will preserve its close-knit community and rich cultural diversity as it moves with innovation into the future by supporting sustainable growth and development, ensuring public safety, enhancing the environment and natural landscape, and nurturing family and community connections.

## Organizational Mission

The City of Milpitas is committed to accomplishing the community's vision by providing fiscally sound, superior services.

## Our Values

Superior Customer Service • Open Communication • Integrity and Accountability  
Trust and Respect • Recognition and Celebration





# City Council



**Rich Tran**  
Mayor



**Carmen Montano**  
Vice Mayor



**Evelyn Chua**  
Councilmember



**Karina R. Dominguez**  
Councilmember



**Anthony Phan**  
Councilmember



# Council Priority Areas



## Community Wellness and Open Space

Continue to provide parks and amenities for people of all ages and abilities to enjoy higher levels of physical and mental health.



## Economic Development and Job Growth

Continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.



## Environment

Promote a sustainable community and protect the natural environment.



## Governance and Administration

Continue to streamline processes for enhanced service and remain committed to long-term fiscal discipline and financial stewardship.



## Neighborhoods and Housing

Continue to explore innovative approaches to incentivize affordable housing projects, collaborate with key stakeholders to care for our most vulnerable populations, and support and engage neighborhoods through dedicated programs and services.



## Public Safety

Continue to invest in police and fire protection, in partnership with our community.



## Transportation and Transit

Continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.



# Table of Contents

|  |     |
|--|-----|
| <b>Community Vision, Mission and Values</b> .....                  | ii  |
| <b>City Council</b> .....  | iii |
| <b>Council Priority Areas</b> .....                                | iv  |
| <b>Letter of Transmittal</b> .....                                 | v   |
| <b>City Profile</b> .....  | 1   |
| Organization Chart.....  | 1   |
| History.....   | 2   |
| Demographic Profile.....   | 3   |
| Milpitas at a Glance.....  | 7   |
| <b>FY 2022-2031 Ten-Year General Fund Financial Forecast</b> ..... | 9   |
| <b>Fiscal Policies and Budget Process</b> .....                    | 17  |
| Fiscal Policies.....   | 17  |
| Budget Guidelines.....   | 22  |
| FY 2021-22 Budget Process.....                                     | 26  |
| Budget Development and Document.....                               | 27  |
| Awards.....  | 32  |
| <b>Financial Information</b> .....                                 | 35  |
| Fund Structure.....  | 35  |
| Budget Summary.....  | 36  |
| Revenues and Expenditures (All Funds).....                         | 38  |
| Permanent Positions by Department.....                             | 40  |
| Revenues by Fund.....  | 43  |
| Revenues by Fund (Detail).....                                     | 45  |
| General Fund Revenue History.....                                  | 55  |
| Expenditures by Fund.....  | 58  |
| Expenditures by Fund (Detail).....                                 | 60  |
| Expenditures by Function.....                                      | 68  |
| Internal Cost Allocation.....                                      | 70  |
| Operating Transfers Statement.....                                 | 72  |
| Reserve Allocations.....   | 76  |
| Reserve Summary.....   | 78  |

|   |     |
|---|-----|
| <b>Budget Narrative and Summary</b>     | 79  |
| City Council                            | 79  |
| City Manager                            | 85  |
| City Clerk                              | 95  |
| Economic Development                    | 103 |
| City Attorney                           | 111 |
| Building Safety and Housing             | 119 |
| Engineering                             | 131 |
| Finance                                 | 141 |
| Fire                                    | 153 |
| Human Resources                         | 165 |
| Information Technology                  | 173 |
| Planning                                | 181 |
| Police                                  | 193 |
| Public Works                            | 205 |
| Recreation and Community Services       | 223 |
| Non-Departmental                        | 239 |
| <b>Capital Budget</b>                   | 243 |
| Capital Improvement Program Overview    | 243 |
| Capital Improvement Program Summary     | 246 |
| Community Improvement Projects          | 247 |
| Park Improvement Projects               | 252 |
| Street Improvement Projects             | 254 |
| Water Improvement Projects              | 258 |
| Sewer Improvement Projects              | 260 |
| <b>Appendix</b>                         | 263 |
| Fund Descriptions                       | 263 |
| Revenue Descriptions                    | 266 |
| Expenditure Descriptions                | 269 |
| List of Funds                           | 277 |
| List of Departments/Divisions/Functions | 278 |
| List of Revenues                        | 280 |
| List of Expenditures                    | 284 |
| Abbreviations and Acronyms              | 287 |
| Glossary of Terms                       | 289 |
| Index                                   | 294 |



April 30, 2021



## Honorable Mayor and Members of the City Council

Consistent with my duties as City Manager pursuant to the City's Municipal Code, I am submitting for your consideration a balanced Fiscal Year 2021-22 Proposed Budget. Despite the rage of the Pandemic around us for over one year, which has significantly impacted some of our residents and businesses as well as some of our City revenues, this budget mostly maintains the Council approved service level without the use of reserves or funding from the American Rescue Plan Act. Equally important, this budget eliminates the General Fund structural deficit.

We are seeing the light at the end of the tunnel with more than half of our County's eligible population having received at least one dose of the COVID-19 vaccine which contributed to our entering the Orange Tier in early April. With the Orange Tier more social, business and leisure activities are permissible, positively impacting the local unemployment rate which is trending around 5% versus the peak of 12.9% early during the Pandemic. Additionally, President Biden's American Rescue Plan Act is providing direct relief to our residents and businesses in need, funding efforts to combat the virus, and allocating \$16.9 million to the City of Milpitas within the next two years, partially offsetting the financial impact the City has experienced.

The economic impacts of the Pandemic significantly affected the financial condition of the City's General Fund, which pays for most City services such as police and fire; youth, senior, and recreation services; repairing park equipment and maintaining parks and recreation centers; and internal support departments and administration. In comparison to the last pre-pandemic revenue estimates for FY 2019-20 and FY 2020-21, approved as part of the adoption of the FY 2019-20 budget, the City is projected to have incurred by the end of FY 2020-21 one-time revenue losses of over \$37 million for the two fiscal years impacted by the Pandemic.

Despite the revenue loss, the Council's decisive actions, such as support for Measure F, a ¼ cent local sales tax measure with an eight year sunset clause, and direction to negotiate wage concessions with the City's bargaining group, as well as recommendations in this Proposed Budget, provide that the structural General Fund deficit is eliminated. As a result, the City's General Fund is projected to generate modest annual surpluses in the coming years (see Table 1).

**Table 1 – Structural Deficit Eliminated**

|                                 | FY 20-21<br>Adopted<br>Budget | FY 21-22<br>Proposed<br>Budget | FY 22-23<br>Forecast | FY 23-24<br>Forecast | FY 24-25<br>Forecast | FY 25-26<br>Forecast |
|---------------------------------|-------------------------------|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues and other Sources      | \$117.05                      | \$110.73                       | \$116.45             | \$121.57             | \$126.54             | \$130.68             |
| Expenditures                    | (117.05)                      | (110.73)                       | (116.12)             | (120.17)             | (125.11)             | (129.24)             |
| <b>Annual Surplus/(Deficit)</b> | <b>\$0.00</b>                 | <b>\$0.00</b>                  | <b>\$0.33</b>        | <b>\$1.41</b>        | <b>\$1.43</b>        | <b>\$1.44</b>        |

We have weathered the financial storm much better than most neighboring cities, primarily facilitated by the Council adoption of the COVID-19 Fiscal Response Strategies and Guidelines on September 1, 2020. One of the directives of this policy framework was to eliminate the structural deficit by Fiscal Year 2022-23. To offset the one-time and permanent loss in revenue experienced while costs increased, the City Council approved various budget strategies during the last 12 months. To address the one-time revenue loss, the Council approved the deferral of 20 infrastructure projects generating savings in the amount of \$5.7 million and authorized the net use of reserves in the amount of \$7.0 million. To counteract the ongoing loss of Transient Occupancy Tax revenue primarily due to the assumption that business travel will not return to pre-pandemic levels, the City Council authorized the

reduction of ongoing personnel and non-personnel costs and placed Measure F on the ballot for the November 3, 2020 general election. Measure F, which was overwhelmingly approved by the voters to maintain fiscal stability and preserve City services, is estimated to generate \$6.3 million in new ongoing revenue in FY 2021-22. The ongoing personnel cost reductions in the amount of \$10.8 million included defunding or eliminating 13.75 positions and temporary staffing; approving side letters, as applicable, with four out of the six employee groups to forego wage increases scheduled for calendar year 2021 generating \$2.4 million in annual savings; and refinements in budgeting benefits costs. If the remaining two employee groups eventually agree to forego wage increases scheduled for calendar year 2021 before June budget adoption, an additional \$400,000 could be achieved in annual savings.

During the FY 2021-22 Preliminary Budget Study Session held on January 26, staff projected a \$7.5 million General Fund shortfall equivalent to 6.4% of projected General Fund expenditures for FY 2021-22. On February 16, as part of rebalancing the FY 2020-21 budget, the City Council approved defunding of 13.75 positions, reduction of temporary personnel costs, and establishing a FY 2021-22 Future Deficit Reserve in the amount of \$1.45 million. These actions reduced the FY 2021-22 shortfall to approximately \$3 million and the projected shortfall for FY 2022-23 to \$1.6 million.

Consistent with the Council approved COVID-19 Fiscal Response Strategies and Guidelines, Fiscal Policies and Budget Guidelines as well as Council and community feedback and support, especially through the passage of Measure F, this Proposed Budget eliminates the structural deficit through one-time and ongoing reductions with some service level impacts, without the use of reserves, guided by the following budget balancing principles:

1. Strategic mix of short-term and long-term defunding/elimination of positions to minimize service level impacts to the community with a focus on vacant positions;
2. Reduction or deferral of services and programs due to anticipated lower demand and changing priorities;
3. Cost recovery alignment for development services' departments/sections;
4. Staff level alignment with the implementation of organizational efficiencies; and
5. Review increasing revenue as allowable by law.

Based on these guiding principles, this budget eliminates or defunds one-time or ongoing net ten (10) positions, of which four (4) positions are filled, which may result in some lay-offs; delays the deployment of the City ambulance service by one year; aligns senior, youth, sports and other recreation services to the anticipated service demand given the continuous although less restrictive gathering restrictions related to the Pandemic; improves cost recovery in development-related City services by aligning costs to estimated fee revenues; re-organizes and streamlines administrative functions; and, instead of liquidating the FY 2021-22 Future Deficit Reserve in the amount of \$1.45 million to balance the FY 2021-22 Proposed Budget, allocates the funds to a Future Deficit Reserve resulting in a slight increase to the pre-pandemic General Fund reserve level as a percent of budgeted expenditures.

### **Economic Outlook**

A year plus after the former President of the United States declared a National Emergency concerning the Novel Coronavirus Disease (COVID-19) Outbreak, the national and regional economy has gone through deep valleys and climbed steep peaks. In 2020, the percent change of the national Gross Domestic Product from the first quarter to the second quarter was -31% followed by a remarkable rebound of 33.4% from the second to the third quarter primarily fueled by federal fiscal and monetary stimulus packages. Locally, within 12 months, the Milpitas unemployment rate peaked at 12.9% in April 2020 and has dropped to 5.5% as of February 2021.

On March 11, 2021 President Biden signed the American Rescue Plan into law injecting a \$2 trillion fiscal stimulus into the economy and Governor Newsom stated that the California economy is expected to fully open by June 15,



2021. With these combined actions, the economy is expected to stay on a path of recovery with a positive annual growth rate not experienced for decades. Per the latest UCLA Anderson School Economic Forecast, “Following the 3.5% decline in real GDP in 2020, the national forecast calls for 6.3% growth in 2021, 4.6% growth in 2022 and 2.7% growth in 2023.” With respect to California, the Forecast states in part, “with California beginning a significant recovery later than some other states, we expect the California recovery to ultimately be, once again, faster than the U.S.”

The detection of increased coronavirus variants in California may dampen the UCLA economic outlook; however, in Santa Clara County, at the end of March the test positivity has dropped to 1% from double digit numbers experienced at the end of 2020. Further, the vaccination rate is increasing, and Governor Newsom opened up the eligibility for receiving a vaccine to anybody age 16 and older effective April 15.

Despite all the good news on the horizon, time will tell whether the Pandemic will have had a permanent impact on our society. With the economic rebound, will shoppers return to the Great Mall or to a restaurant on Main Street to the same or higher pre-pandemic level or has there been a permanent shift to online shopping and using a food delivery service for take-out? Will business travelers come back and stay in our hotels or continue to rely on video-conferencing? The City’s FY 2022-31 General Fund Financial Forecast assumes these pre-pandemic economic activities will not return to the same level.

## FY 2021-22 Citywide Budget

As stated above, the FY 2021-22 Budget funds mostly the same service level as approved for the current fiscal year. The FY 2021-22 citywide Proposed Budget of \$194.4 million has decreased by \$25.9 million, or 11.8 percent, in comparison to the Fiscal Year 2020-21 Adopted Budget of \$220.3 million. As part of the Council approved FY 2020-21 Mid-Year actions, 13.75 positions were defunded. In addition, this budget includes recommendations to defund 8.0 positions, eliminate 3.0 positions and add one position. Detailed descriptions of the Proposed Budget position changes by City Service Area (CSA) are provided in the section of this letter titled Proposed Service Level Changes. Table 2 below depicts the position changes by City Service Area.

With the FY 2020-21 Mid-Year and Proposed Budget changes, the number of funded positions is net decreased by 23.75 positions, or 5.4%, from 439.25 positions to 415.50 positions in comparison to the FY 2020-21 Adopted Budget. Of the net decrease of 23.75 funded positions, three positions are eliminated, one position is added, and 21.75 positions are defunded. The 21.75 defunded positions include 8.0 positions, 6.0 positions in the Public Safety City Service Area (CSA) and 2.0 positions in the Leadership and Support Services CSA, which are defunded only for one year and scheduled to be funded by FY 2022-23. The remaining 13.75 defunded positions will become critical for reinstatement as the economy recovers and community service demands increase.

**Table 2 – FY 2021-22 Position Summary by City Service Area**

| City Service Area                                  | FY 2020-21 Adopted Budget | FY 2020-21 Mid-Year Budget Changes | FY 2021-22 Proposed Budget Changes | FY 2021-22 Proposed Budget |
|--|---------------------------|------------------------------------|------------------------------------|----------------------------|
| Public Safety                                      | 196.00                    |                                    | (6.00)                             | 190.00                     |
| Community Development                              | 70.00                     | (3.00)                             | (2.00)                             | 65.00                      |
| Community Services and Sustainable Infrastructure* | 108.75                    | (7.75)                             |                                    | 101.00                     |
| Leadership and Support Services                    | 64.50                     | (3.00)                             | (2.00)                             | 59.50                      |
| <b>Total</b>                                       | <b>439.25</b>             | <b>(13.75)</b>                     | <b>(10.00)</b>                     | <b>415.50</b>              |

\* The FY 2021-22 Proposed Budget includes the defunding of 1.0 Recreation and Community Services Supervisor and the addition of 1.0 Maintenance Worker III

During the last decade, the City's population expanded by 17,467 residents, or 26%, from 66,729 in 2009 to 84,196 in 2019, the latest estimates available from the U.S. Census Bureau. At the same time, the City staff providing services only expanded by 7% from 387 positions to 415.50 positions, an increase of 28.5 positions.

As shown in Table 3 below, the FY 2021-22 Proposed Budget is balanced with \$194.4 million in revenues and use of reserves (including Transfers In) and \$194.4 million in expenditures (including Transfers Out). The FY 2021-22 estimated revenue across all funds of \$194.4 million is a net decrease of \$25.9 million, or 11.8%, compared to the FY 2020-21 Adopted Budget estimated revenue of \$220.3 million. This is primarily due to lower revenues in the General Fund related to the Pandemic and less revenue related to debt issuances. The FY 2021-22 expenditures across all funds of \$194.4 million is a net decrease of \$23.3 million, or 11.8%, compared to FY 2020-21 adopted expenditures of \$220.3 million. This is primarily due to a decrease in Personnel expenditures and Capital Improvements expenditures. Personnel expenditures decreased due to elimination and defunding of positions mentioned above. The decrease in expenditures in the CIP is primarily due to the decreased funding for community improvement projects and bond funded projects, in the amount of \$17 million.

**Table 3 – FY 2021-22 Citywide Budget Summary (All Funds)**

**Citywide Revenues and other Financing Sources**

|                                  | <b>FY 2020-21<br/>Adopted Budget</b> | <b>FY 2021-22<br/>Proposed Budget</b> | <b>% Change from<br/>Prior Year Adopted</b> |
|----------------------------------|--------------------------------------|---------------------------------------|---|
| General Fund                     | \$117.1                              | \$110.7                               | (1.7)%                                      |
| Housing Authority                | 0.7                                  | 1.0                                   | 42.9%                                       |
| Other Funds                      | 15.7                                 | 15.8                                  | 0.6%  |
| Water Fund                       | 40.4                                 | 29.4                                  | (27.2)%                                     |
| Sewer Fund                       | 26.8                                 | 15.2                                  | (33.6)%                                     |
| <b>Net Operating Funds Total</b> | <b>200.7</b>                         | <b>174.7</b>                          | <b>(13.0)%</b>                              |
| Capital Projects Funds           | 19.6                                 | 22.3                                  | 13.8%                                       |
| <b>Total</b>                     | <b>\$220.3</b>                       | <b>\$194.4</b>                        | <b>(11.8)%</b>                              |

**Citywide Expenditures**

|                                 | <b>FY 2020-21<br/>Adopted Budget</b> | <b>FY 2021-22<br/>Proposed Budget</b> | <b>% Change from<br/>Prior Year Adopted</b> |
|---------------------------------|--------------------------------------|---------------------------------------|---|
| Personnel Services              | \$105.5                              | \$99.5                                | (5.7)%                                      |
| Supplies & Contractual Services | 57.5                                 | 55.1                                  | (4.2)%                                      |
| Capital Outlay                  | 2.0                                  | 1.0                                   | (50.0)%                                     |
| Operating Transfers Out         | 12.0                                 | 12.1                                  | 0.8%  |
| <b>Subtotal</b>                 | <b>177.0</b>                         | <b>166.6</b>                          | <b>(5.9)%</b>                               |
| Capital Improvements            | <b>39.7</b>                          | <b>22.2</b>                           | <b>(43.8)%</b>                              |
| Debt Service                    | 3.6                                  | 4.5                                   | 25.0%                                       |
| <b>Total</b>                    | <b>\$220.3</b>                       | <b>\$194.4</b>                        | <b>(11.8)%</b>                              |



## General Fund

The Fiscal Year 2021-22 Proposed General Fund budget of \$110.7 million is balanced with \$110.7 million in estimated revenues and other sources (Revenues) without the use of reserves or funding from the American Rescue Plan Act. The Fiscal Year 2021-22 Revenues are estimated at \$110.7 million, a decrease of \$6.3 million, or 5.4 percent, in comparison to the Fiscal Year 2020-21 Revenue estimate of \$117.0. The decrease in revenue is primarily due to reductions in estimates from Transient Occupancy Tax (\$5.7 million), Sales Tax (\$2.7 million), and charges for services (\$3.6 million) such as fees related to recreation activities offset by Measure F Sales Tax (\$6.3 million) and Property Tax (\$4.4 million).

This budget and the accompanying FY 2022-2031 Ten-Year General Fund Financial Forecast (Forecast) assume that the Pandemic was transformative, and that brick and mortar shopping and business travel will not return to pre-pandemic levels resulting in ongoing revenue loss estimated in the millions per year.

With the passage of Measure F, a sales tax measure with a sunset of the tax in eight years and requiring independent audits and a citizens' oversight committee, the voters set the foundation for the City to maintain fiscal stability and preserve City services during these trying times. Consistent with the ballot measure, the City Council established the Measure F Oversight Committee (Committee) and approved the roles and responsibilities of the Committee. One of Committee's responsibilities is to review annually the projected revenues and recommended expenditures for the funds generated by Measure F as part of the development of the budget and to advise the Council whether the recommended Measure F funded expenditures are consistent with the ballot measure. On March 16, 2021, the City Council appointed the Committee members and the Committee is scheduled to meet on April 26, 2021. The staff report for the May 11 FY 2021-22 Budget Study Session will include a summary of the Committee meeting. As shown in the table below, with the sunset of Measure F effective April 1, 2029, deficits are anticipated starting with FY 2028-29. Therefore, Measure F revenue needs to be shifted from paying for ongoing services to one-time investments by FY 2028-29 to prevent service reductions towards the end of this Forecast.

The Fiscal Year 2021-22 General Fund expenditures of \$110.7 million are \$6.4 million, or 5.5%, lower, in comparison to the Fiscal Year 2020-21 General Fund expenditures of \$117.1 primarily due to a decrease in salaries and benefits (\$6.1 million) and services and supplies (\$1.0 million). The decrease in salary and benefits is due to four employee groups (Gaff, MPOA, MidCon and Unrep) foregoing 2021 scheduled wage increases (\$2.4 million), the defunding or elimination of 23.75 positions (\$4.6 million) and retiree medical benefits savings (\$2.5 million) offset with increased salary and related benefits for two employee groups that have not agreed to wage concessions (MEA and Protech) of 3 percent effective July 1, 2021 (\$0.4 million) and increased health care costs (\$0.4 million). The FY 2021-22 includes the defunding of eight positions, primarily public safety positions, for one year at a cost of \$1.43 million, which are automatically funded for FY 2022-23. Given the uncertainty of the virus containment, this budget recommends allocating the FY 2021-22 Future Deficit Reserve in the amount of \$1.45 million, which was funded from FY 2020-21 anticipated expenditure savings, to a Future Deficit Reserve. The Future Deficit Reserve is intended to be used to rebalance the FY 2021-22 budget, if needed. Regardless, we will continue managing our costs for the foreseeable future.

The table below shows the FY 2022-2031 Ten-Year General Fund Financial Forecast. Over the ten years of the Forecast based on information available in March, staff projects annual surplus and deficits between \$1.4 million and -\$8.7 million. With the sunset of Measure F effective April 1, 2029, deficits are anticipated starting with FY 2028-29.

**Table 4 – Ten-Year General Fund Financial Forecast**

|                                 | FY 20-21<br>Adopted<br>Budget | FY 21-22<br>Proposed<br>Budget | FY 22-23<br>Forecast | FY 23-24<br>Forecast | FY 24-25<br>Forecast | FY 25-26<br>Forecast |
|---------------------------------|-------------------------------|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues and other Sources      | \$117.05                      | \$110.73                       | \$116.45             | \$121.57             | \$126.54             | \$130.68             |
| Expenditures                    | (117.05)                      | (110.73)                       | (116.12)             | (120.17)             | (125.11)             | (129.24)             |
| <b>Annual Surplus/(Deficit)</b> | <b>\$0.00</b>                 | <b>\$0.00</b>                  | <b>\$0.33</b>        | <b>\$1.41</b>        | <b>\$1.43</b>        | <b>\$1.44</b>        |

|                                 | FY 26-27<br>Forecast | FY 27-28<br>Forecast | FY 28-29<br>Forecast | FY 29-30<br>Forecast | FY 30-31<br>Forecast |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues                        | \$135.06             | \$139.43             | \$141.96             | \$140.59             | \$145.12             |
| Expenditures                    | (134.12)             | (138.83)             | (143.73)             | (148.57)             | (153.79)             |
| <b>Annual Surplus/(Deficit)</b> | <b>\$0.94</b>        | <b>\$0.60</b>        | <b>(\$1.78)</b>      | <b>(\$7.98)</b>      | <b>(\$8.67)</b>      |

### American Rescue Plan Act

On Thursday March 11, President Biden signed into law the American Rescue Plan, a \$1.9 trillion stimulus package, to counteract the economic impacts of the Pandemic. The bill contains a \$350 billion allocation for state and local government aid including \$45.5 billion allocated to metropolitan cities (pop. over 50,000), such as the City of Milpitas, utilizing a modified CDBG (Community Development Block Grant) formula. Based on this formula, our City is estimated to receive \$16.9 million paid in two tranches - first half by May 11 and the second half one year later. Eligible uses of the funding include:

- Revenue replacement for the provision of government services to the extent the reduction in revenue due the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency;
- Premium pay for essential workers;
- Assistance to small businesses, households, and hard-hit industries, and economic recovery; and
- Investments in water, sewer and broadband infrastructure.

On March 16, staff provided the City Council with a policy framework for use of the one-time funds for Council consideration. Due to the forthcoming guidance from the U.S. Treasury Department, Council deferred the discussion regarding the use of funds to the May 11 FY 2021-22 Budget Study Session.

### Utility Funds

The City's Utility Funds for the Water and Sewer utilities are balanced. On February 19, 2019, the City Council adopted Ordinance Nos. 120.48 and 208.53, adjusting water, recycled water, and sewer service charges and fees for Fiscal Years FY 2018-19 through FY 2022-23. In accordance with the rate ordinances, Water and Sewer rates will increase by approximately 6 percent and 7 percent, respectively. For a typical single-family residential household, the bi-monthly water charge will increase by \$6.73 from \$129.04 to \$135.77; and the bi-monthly sewer charge will increase by \$7.27 from \$111.07 to \$118.34. The combined bi-monthly increased cost for a typical single-family residential household will be \$14.00.

With the increased water rates, the Water Utility is better positioned to respond to water system gaps including infrastructure repair and rehabilitation expected to be identified in the Water Master Plan currently under way and scheduled to be presented to Council by the end of FY 2020-21. The increased water rates will also ensure sufficient funds are available to pay for projected wholesale rates from our two providers for future years. Similarly,

the sewer rate increase will better position the Sewer Utility to cover anticipated funding needs for CIP projects expected to be identified in the Sewer Master Plan currently underway, and the many unknowns associated with the modernization of the San Jose/Santa Clara Regional Wastewater Facility (RWF).

## Capital Improvement Program

On April 6, the City Council approved the FY 2022-2026 Capital Improvement Program (CIP). A summary of the CIP can be found in this document as resources from various funds are transferred to capital projects annually. The funds for the first year of the Council approved FY 2022-2026 CIP are scheduled to be appropriated with the approval of the FY 2021-22 budget.

The FY 2021-22 Capital Improvement Program funding in the amount of \$22.3 million is \$17.6 million less than the FY 2020-21 Adopted CIP of \$39.7 million, primarily due to one-time bond funded projects such the Fire Station #2 replacement, Well Upgrade Project, Automated Meter Replacement Program, and Water Supervisory Control & Data Acquisition. Also, due to limited General Government funding, staff evaluated projects that had General Government funding and strategically funded projects in the adopted plan. The estimated 2020-21 Ending Fund Balance / 2021-22 Beginning Fund Balance for the General Government Fund is \$10 million, of which \$3.6 million is being used in the current plan. These funds will continue to be analyzed each year to maximize the public benefit for use of these funds.

## Council Priority Areas

During the FY 2021-22 Preliminary Budget Study Session held on January 26 as continued to the February 2nd City Council meeting, the City Council reviewed its seven priority areas to guide the development of the Budget.



**Community Wellness and Open Space:** Continue to provide parks and amenities for people of all ages and abilities to enjoy higher levels of physical and mental health.



**Economic Development and Job Growth:** Continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.



**Environment:** Promote a sustainable community and protect the natural environment.



**Governance and Administration:** Continue to streamline processes for enhanced service and remain committed to long-term fiscal discipline and financial stewardship.



**Neighborhoods and Housing:** Continue to explore innovative approaches to incentivize affordable housing projects, collaborate with key stakeholders to care for our most vulnerable populations, and support and engage neighborhoods through dedicated programs and services.



**Public Safety:** Continue to invest in police and fire protection, in partnership with our community.



**Transportation and Transit:** Continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.



## Citywide Budget Process, Council Referrals, and Community Engagement

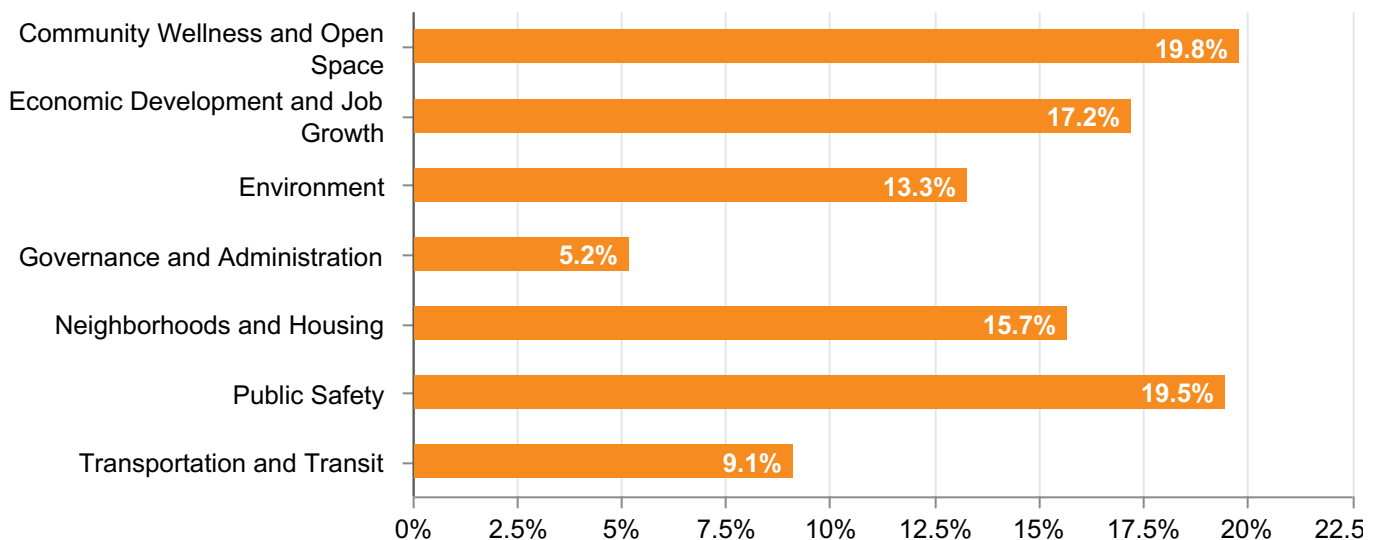
The budget process is an exercise in fiscal strategic planning that involves overall guidance from the City Council, input from the community, and close coordination between the executive team and numerous staff budget representatives across all departments. At the FY 2021-22 Preliminary Budget Study Session as continued to the February 2nd City Council meeting, the City Council provided input to staff's budget considerations, referred nine additional work plan items to staff to evaluate for potential fiscal impacts, and directed a robust community outreach program. On March 16, the City Council approved seven of the nine additional work plan items including some which have budgetary implications. However, the work plan items with potential one-time budgetary implications still require further refinement and any funding needs related to these work plan items are not assumed in this budget.

The community outreach program included a statistically valid resident survey, an Open Townhall survey, and two virtual community meetings. In the January 2021 community engagement survey, 79% of adult residents rated the overall quality of life consistent with last year at 79%, suggesting that residents continue to view living in Milpitas favorably; over 80% of residents overwhelmingly agree that Milpitas' diversity is an asset, different cultures are celebrated, and the City is family friendly; and 74% approve of the City's response to the Pandemic. Further, Police, 911 response and infrastructure continue to rate as residents' top priorities.

The online survey offered in Chinese, English, Spanish and Vietnamese asked respondents to "spend" imaginary money on what they think are the most important of the seven Council Priority Areas. Due to the ongoing financial crisis related to COVID-19, the online survey mimics the scarcity of limited resources by asking respondents to spend first 20 dots and then 16 dots on, or ranking the importance of, the seven Council Priority Areas. As of early April, over 81 responses were received, mostly from residents, to the survey. The dollars respondents allocated to each Council Priority Area shows how important, in the aggregate, a particular Priority Areas is. Based on the responses for the allocation of 20 dots, Community Wellness and Open Space was ranked as the most important Council Priority Area with 21.2% of the allocations, closely followed by Public Safety (18.3%), and Neighborhoods and Housing (16.1%). When respondents are asked to allocate 16 dots only, Community Wellness and Open Space was still ranked as the most important Council Priority Area with 19.8% of the allocations, followed by Public Safety (19.5%), and Economic Development and Job Growth (17.2%).

**Graph 1 - Town Hall Survey Response as of April 2, 2021 with limited resources**

### Percent of 'Dollars' allocated to Council Priority Areas



Based on Council direction, staff held virtual budget community meetings on March 11 and April 1. Although only a few residents attended either one of the meetings, both events were viewed by over 100 people through the City's social media channels. Residents who attended asked questions about services for the unhoused, renovation of Sandalwood Park, and the allocation of general tax revenue such as sales tax to the City.

Internal City Manager budget review meetings were held in January, February and March to discuss and identify budget reduction proposals with minimal impacts to service delivery and that aligned Council approved COVID-19 Fiscal Response Strategies and Guidelines, Fiscal Policies and Budget Guidelines as well as Council and community feedback.

## **Proposed Service Level Changes**

As discussed, this Proposed Budget addresses the FY 2021-22 shortfall to approximately \$3 million and the projected shortfall for FY 2022-23 to \$1.6 million with some service level impacts consistent with the Council approved COVID-19 Fiscal Response Strategies and Guidelines, Fiscal Policies and Budget Guidelines as well as Council and community feedback and guided by the following budget balancing principles:

1. Strategic mix of short-term and long-term defunding/elimination of positions to minimize service level impacts to the community with a focus on vacant positions;
2. Reduction or deferral of services and programs due to anticipated lower demand and changing priorities;
3. Cost recovery alignment for development services' departments/sections;
4. Staff level alignment with the implementation of organizational efficiencies and
5. Review increasing revenue as allowable by law.

In FY 2018-19, the City structured its operations into City Services Areas or CSAs that foster interdepartmental coordination of efforts, resources, and goals. Service level changes are described briefly within each CSA section below and in more detail in the Department Budget sections including statements regarding the performance outcome and impacts if the service level change is not approved.

## **Public Safety CSA**

(Fire and Police)

### **Service Level Changes**

1. Ambulance Deployment Deferral (net -\$796,000 one-time)

This action delays the deployment of the ambulance to Fiscal Year 2022-23 by defunding 4.0 vacant Firefighter/Medic positions. In Fiscal Year 2016/17, the City Council approved an agreement with the County of Santa Clara authorizing the City to transport patients with an ambulance under certain conditions, which set off the implementation of the City's ambulance program for patient transport and to augment existing emergency response resources. On 10/01/2019 Council authorized 6.0 positions to staff the ambulance 24/7 (2 FTEs per shift) partially funded through a federal SAFER grant. When the COVID-19 Pandemic hit in March 2020 the ambulance was utilized as the Covid Testing Unit from May 2020 to February 2021. No mitigation measures identified because service level is not reduced. This budget proposal is contingent on FEMA, which administers the SAFER grant, to authorize a waiver of the maintenance staffing level. If FEMA does not grant a waiver, staff will recommend use of the Future Deficit Reserve to rebalance the budget. The allocated payment of the unfunded pension liability in the amount of \$164,188 will be budgeted in the non-departmental budget resulting in net savings of \$796,000 in the General Fund.

### 2. Sworn Police Staff Defunding (net -\$404,636 one-time)

This action defunds 2.0 vacant Police Officer positions until June 30, 2022. The defunding of the positions is expected to minimally impact Police operations given the current number of 85 filled sworn positions and the anticipated hiring of 6 vacant sworn positions. With the anticipated hiring of 6 positions, the Department's ability to effectively train new officers will be at capacity. Further, the current state of the economy, lower ridership on BART, and shelter-in-place regulations in Santa Clara County have reduced the number of calls for service. With the opening up of the economy, the funding of these two positions for FY 2022-23 is anticipated to be necessary. The allocated payment of the unfunded pension liability in the amount of \$104,932 will be budgeted in the non-departmental budget resulting in net savings of \$404,636 in the General Fund.

### 3. 4th of July Event Savings – Police Department (-\$11,089 one-time)

The City of Milpitas annually celebrates the Fourth of July at a signature special event attracting as many 12,000+ residents and Bay Area visitors to the Milpitas Sports Center complex. Attendees enjoy a pool party, evening concert and a professional fireworks show. However, due to the current COVID-19 Pandemic, Santa Clara County Public Health restrictions prohibit large gatherings that preclude the traditional festivities. This action reduces \$11,089 in overtime as part of a total one-time reduction across three departments in the amount of \$106,089. This reduction will minimally impact service delivery.

## Community Development CSA

(Building Safety and Housing, Economic Development, Planning, Engineering - Land Development, Fire Prevention)

### Service Level Changes

#### 1. Fire Code Compliance Reorganization (net -\$276,603)

This action eliminates 1.0 Chief Fire Enforcement Officer position to improve cost recovery of the Fire Prevention function. This position is one of the positions responsible for various fire and other investigations and fire code compliance, enforcement and inspections, and more recently utilized for the enforcement of COVID-19 County Public Health Order in Milpitas. This position requires a peace officer certification and is unique to Milpitas; Fire Prevention functions in other agencies use a more cost effective model. Existing Fire Prevention Inspectors positions will absorb most of the duties of this position and when the presence of a certified peace officer is required, similar to other agencies and consistent with the service delivery model prior to the creation of this position, Fire Prevention will coordinate with the Police Department. During the transitional period of this reorganization, some delays in construction and annual state mandated inspections may occur and/or overtime may be incurred. The allocated payment of the unfunded pension liability in the amount of \$71,609 will be budgeted in the non-departmental budget resulting in net savings of \$276,603 in the General Fund.

#### 2. Management Oversight Reduction – Planning Department (net -\$229,588)

This action eliminates 1.0 Planning Manager position and reclassifies two positions. The Planning Manager position currently supervises six planning staff and one administrative staff, oversees daily operations at the Permit Counter, assigns projects and tasks to staff, provides project oversight, and responds to questions and issues from developers, Milpitas residents, and business owners. Further, the position reviews staff reports and coordinates preparation for public meetings, chairs the weekly Development Review Committee meetings, collaborates with other departments on management initiatives and tasks, and acts as Department Director in his absence. The position has been an active contributor to the Metro Plan (TASP Update) and served as the project manager over the update of the General Plan, which was approved by

Council on 3/9. Regardless, with the elimination of this position, less management support will be available for staff, and there will be less capacity for the department to take on major new projects or assignments. This action also aligns the complement of staff by reclassifying 1.0 Assistant Planner to 1.0 Associate Planner and 1.0 Assistant Planner to 1.0 Junior Planner to partially mitigate the elimination of the Planning Manager position. The allocated payment of the unfunded pension liability in the amount of \$32,847 will be budgeted in the non-departmental budget resulting in net savings of \$183,670 in the General Fund and 45,918 in Community Planning Fund.

3. Non-Personnel Expenditure Reduction (-\$14,400 one-time)

The action reduces the General Office Supplies budget one-time.

## **Community Services and Sustainable Infrastructure CSA**

(Engineering-Capital Improvement Programs, Recreation and Community Services, and Public Works)

### **Service Level Changes**

1. USA Locate Program Staffing (\$150,080)

This action reestablishes the USA Locate program in the Public Works Department through the allocation of 1.0 Equipment Maintenance Worker II/III from Street Lighting and Traffic Signal Maintenance and adding 1.0 Maintenance Worker III position offset with cost reductions for USA Locate contractual services of \$100,000 (\$201,000 ongoing) in the Engineering Department. Staff expects to reestablish the program in the Public Works Department no later than 11/1/2021.

2. Tree Maintenance Enhancement (\$80,000)

This action increases contractual services to increase the pruning cycle for City maintained street trees from 5-year to 4-year cycle including trees in City parks. The City maintains a portfolio of 17,357 trees valued at \$50,454,717. The current tree maintenance cycle is once every five-years, while park trees are maintained on an as needed basis. In 2019, the City assessed the condition of its trees with 93.3% of trees to be in fair or better condition and 69.5% of trees in good or better condition. In order to improve the condition of the City's trees, the minimum pruning cycle needs to be increased including trees in City parks from once every five years to every four years. Non-recurring tree maintenance presents an increased risk to personal safety, property damage, and an increase in overall tree degradation.

3. Water Quality De-Chlorination Trailer Rental (\$54,000 one-time)

This action would provide one-time funding for the rental of a water quality de-chlorination trailer for 12 months to allow staff adequate time to evaluate the performance of the unit before purchasing.

4. Management Oversight Reduction – Recreation and Community Services (net -\$178,974)

This action eliminates the Recreation and Community Services Supervisor at the Milpitas Community Center. Several Service areas under this position such as Special event, facility rentals, and contract classes were reduced as part of the FY 2020-21 Mid-Year actions or are proposed for reduction, therefore significantly reducing the work tasks associated with this position. Oversight of the remaining staff and services under this position will be mostly transferred to the Community Engagement and Inclusion Administrator. Due to the additional vacancy of the Special Events Coordinator, the Supervisor was performing coordinator tasks related to virtual and drive-thru events. Those remaining tasks will be distributed to filled coordinator positions and interns in the department. The allocated payment of the unfunded pension liability in the amount of \$26,701 will be budgeted in the non-departmental budget resulting in net savings of \$178,974 in the General Fund.



**5. USA Locate Contract Reduction (-\$201,000)**

This action eliminates contractual funding for USA Locate and allocates some of the funding to establish the program in the Public Works Department effective October 31, 2021.

**6. Contract Class Funding Alignment (-\$97,000)**

This action reduces funding for low attendance contract classes due to COVID-19 Pandemic restrictions limiting gathering sizes and requiring social distancing, some recreation classes cannot be offered in a cost effective manner or at all. Contract instructors are paid according to the number of attendees enrolled. Due to low enrollment, contract instructors' expense will be reduced and remain reduced until class demand returns. Staff will continue to offer virtual programming, wherever practical, such as virtual volleyball, youth soccer, or townhalls on mental health. Further, if demand increases, staff intends to return to City Council to seek an increase in appropriations mostly offset with revenues.

**7. 4th of July Savings – Recreation (-\$74,000 one-time)**

The City of Milpitas annually celebrates the Fourth of July at a signature special event attracting as many as 12,000+ residents and Bay Area visitors to the Milpitas Sports Center complex. Attendees enjoy a pool party, evening concert and a professional Fireworks show. However, due to the current COVID-19 Pandemic, Santa Clara County Public Health restrictions prohibit large gatherings that preclude the traditional festivities. This action reduces \$74,000 in contractual costs as part of a total one-time reduction across three departments in the amount of \$106,089. If the proposal to cancel Fourth of July is accepted, staff can mitigate the loss with a virtual community service-oriented event similar to last year's Spirit of Milpitas week.

**8. Wet Well Cleaning Reduction Deferral (-\$62,440 one-time)**

This action will eliminate wet well cleaning services for FY 21-22.

**9. COVID-19 Pandemic Related Overtime and Non-Personnel Expenditure Reduction (-\$36,900 one-time)**

This action reduces one-time non-personnel expenditures such as temporary staff uniforms, overtime, and funding for events (Commissioners' Recognition Event, Pride Event, and Fall Family Game Night) which cannot be held due to the Pandemic. Staff will offer LGBTQ event virtually, in alignment with other cities, City Commissioners can be celebrated and acknowledged through commemorative certificate and signed letter from City Council.

**10. Community Events Alignment (-\$36,250)**

This action reduces non-personnel expenditures for community events in alignment with gathering restrictions, pre-pandemic attendance at certain events, and events which generate minimal revenue to partially offset cost. Specifically, with this action, Hot August Bites and Octoberfest events will be eliminated, Brunch with the Bunny, Pumpkins in the Park will be scaled back, and cultural flag raising model will be reorganized with the City in a supportive role of local cultural groups taking a leadership role in organizing, to achieve cost savings. Through coordination with local cultural groups taking the lead, staff will be able to maintain the same number of cultural flag raising events.

**11. Senior Services Alignment (-\$32,093)**

This action reduces funding for Senior Center programs in alignment with demand before and during the Pandemic. These programs include trips, events, transportation, satellite programs at third party facilities and Bingo. Additionally, funding for a part-time Senior Bus Driver position is eliminated. Pre-pandemic, the driver was used primarily for transporting a very small number of seniors to the Senior Center.

**12. Sports Center Services Alignment (-\$29,685)**

This action eliminates funding for low attendance fitness classes such as Feldenkreis, Cardio, and sports referee services for adult sports leagues as well as the supplies budget for fitness equipment. Over time, the cancelled low attendance classes may be replaced with more popular classes with sufficient income to warrant instructor expense. In future years if demand for adult sports leagues necessitates, staff would also come back to seek funds for referees. Fitness supplies budget will be permanently reduced, and small fitness items will be utilized until they reach the end of their useful life.

**13. 4th of July Savings – Public Works (-\$21,000 one-time)**

The City of Milpitas annually celebrates the Fourth of July at a signature special event attracting as many as 12,000+ residents and Bay Area visitors to the Milpitas Sports Center complex. Attendees enjoy a pool party, evening concert and a professional Fireworks show. However, due to the current COVID-19 Pandemic, Santa Clara County Public Health restrictions prohibit large gatherings that preclude the traditional festivities. This action reduces \$21,000 in total costs as part of a total one-time reduction across three departments in the amount of \$106,089. Recommend a one-time elimination of Public Works costs associated with the annual 4th of July event.

**14. Youth Services Alignment (-\$19,387)**

This action eliminates funding for the Trip and Travel Camp and the Jr. Warriors Basketball program. The Trip and Travel camp is the most expensive camp the City operates primarily due to renting of charter buses and amusement parks admissions and other costs. Further, the program requires more experienced staff to provide supervision and exposes the City to a higher level of risk. The Jr. Warriors Basketball program is the most expensive of several basketball enrichment programs the City offers. This staff provided program requires the purchase of Warrior's jerseys annually, which substantially increases costs in contrast to contractor provided basketball programs. Staff resources will be redeployed to youth camps that are designed to take place on City property. Basketball enrichment programs will be offered via contract class services.

**Leadership and Support Services CSA**

(City Council, City Manager, City Attorney, City Clerk, Finance, Human Resources, and Information Technology)

**Service Level Changes****1. Contractual Service Reduction – City Attorney's Office (-\$150,000)**

This action reduces legal services costs provided by Best, Best and Krieger (BBK). BBK has staffed the City Attorney's Office for several years. In alignment of historical legal services provided to the City, BBK is restructuring its contractual pricing structure. This assumes a reduction of Public Records Act requests related work, which spiked in 2020. Please note that the Administrative Support Reorganization budget action described below increases contractual services by \$60,000.

**2. Administrative Support Reorganization – City Attorney's Office (net -\$93,282)**

This action eliminates 1.0 Administrative Assistant position in the City Attorney's Office. This position elimination in the City Attorney's Office is part of a broader reorganization of administrative functions in the City Attorney (CAO), City Clerk (CCO) and City Manager's Offices (CMO). With the elimination of passport services and implementation of best practices in the CCO, tasks and responsibilities from the CAO such as coordination of public records act requests and formatting of resolutions and ordinances are shifted to the CCO. The direct support for the City Attorney will be assigned to BBK staff. The savings from the staff

reduction in the amount of \$151,782 and related office supplies in the amount of \$1,500 is partially offset with additional contract services cost in the amount of \$60,000 resulting in net savings of \$114,763 in the City Attorney's Budget. However, the allocated payment of the unfunded pension liability in the amount of \$21,481 will be budgeted in the non-departmental budget resulting in net savings of \$93,282 in the General Fund.

**3. Administrative Support Reorganization – City Manager's Office (net -\$56,590)**

This action defunds 1.0 Office Specialist II position in the City Manager's Office (CMO) and transfers 0.5 FTE Office Assistant II from the City Clerk's Office (CCO). This position is recommended for reduction in the City Manager's Office as part of a broader reorganization of administrative functions in the City Attorney (CAO), City Clerk (CCO) and City Manager's Offices (CMO). The Office Specialist II position assists the Sr. Executive Assistant position with general office management and support of the City Council and City Manager's executive staff. To mitigate this reduction, 0.5 Office Assistant II position will be reassigned from CCO to CMO, which is possible with the elimination of passport services. As the CCO will be taking on the lead for PRA coordination, formatting of resolutions and ordinances and records management, this staffing model may not be sustainable in the long term but can be accommodated in the short term. Through the allocation of the 0.5 Office Assistant II position, sufficient staff capacity will be available to support the City Council and City Manager's staff most of the time and work will be prioritized as needed. The allocated payment of the unfunded pension liability in the amount of \$18,723 will be budgeted in the non-departmental budget resulting in net savings of \$104,295 in the General Fund for defunding of Office Specialist II.

**4. Administrative Support Reorganization – City Clerk's Office (-\$47,705)**

This action transfers 0.5 FTE Office Assistant II from the City Clerk's Office (CCO) as part of a broader reorganization of administrative functions in the City Attorney (CAO), City Clerk (CCO) and City Manager's Offices (CMO). The Office Assistant II position is primarily responsible for providing passport services with assistance from the City Clerk and Deputy City Clerk. With the elimination of passport services, the CCO will be taking on the lead for PRA coordination, formatting of resolutions and ordinances and records management. This staffing model may not be sustainable in the long term but can be accommodated in the short term.

## **Amendments to Fiscal Policies and Budget Guidelines**

As part of the annual budget process, staff reviews the Fiscal Policies and Budget Guidelines, which can be found in a separate section of this budget document. These policies and guidelines set the fiscal framework for the annual budget process and long-term financial decisions. Below please find a summary of recommended changes to the Fiscal Policies and Budget Guidelines. A red line version of the recommended changes will be submitted as part of the staff report for the Operating Budget Study Session scheduled for May 11, 2021.

### **Changes to Fiscal Policies**

The City's Fiscal Policies are broken down into General Financial Goals; Operating Budget, Revenue, and Expenditure Policies; Utility Rates and Fees; Capital Budget Policies; Debt, Reserve, and Investment Policies; and Accounting, Auditing, and Financial Reporting Policies. It is important to note that the City Council also adopted separate debt and investment policies consistent with State law.

The major recommended changes to the City's fiscal policies are focused on the consolidation of the City's investment policies related to the investments of the City's cash, retiree medical trust fund, or the forthcoming pension trust fund as well as to workers' compensation savings and the General Liability and Workers'

Compensation Claims Reserve. The edits regarding the investment policy statements of the City's cash are clarifying in nature and consistent with State law.

In 2007, a former City Council approved the formation of another Other Post-Employment Benefits (OPEB) Trust Fund to prefund retiree medical benefit to eligible former employees with the California Employers' Retiree Benefit Trust (CERBT). Consistent with existing practice, this recommendation formalizes that bi-annually, the City shall engage an actuary to provide the City with an actuarial valuation. Working with the actuary, staff shall review the assumed interest earnings, investment strategy, and other factors to ensure the long-term health of the fund.

On March 3, 2020, the City Council reviewed the City's Pension Actuarial Report and directed staff to return to City Council with the necessary documents for the establishment of a 115 Pension Trust to invest reserve funds set aside to pay future pension obligations. After a competitive procurement process and a detailed legal review, staff will bring forward for Council consideration an award of contract and the establishment of a Section 115 Trust. Staff recommends that the funds in the Pension Trust funds be invested with moderate risk achieving a 3% to 6% investment earnings goal during the next 5 to 10 years to mitigate the rising pension costs. Further, consistent with existing policy, that the City may use the trust funds to fund either the annual actuarially determined pension contribution amounts, pay down unfunded pension liabilities with CalPERS, or reduce the length of pension cost amortization schedules with CalPERS.

Per the existing fiscal policy, the City maintains a General Liability and Workers' Compensation Claims Reserve of at least \$2 million in the General Fund. Staff recommends that as part of closing out a fiscal year, any Workers' Compensation savings in the General Fund may be allocated to this General Fund reserve and any Workers' Compensation savings in the Utility Funds may be allocated to a Workers' Compensation Claims Reserve established for each utility fund.

### **Changes to Budget Guidelines**

Through adoption of this budget, the City Council approves the Budget Guidelines found in a separate section of this document. The Budget Guidelines set forth the Basis of Budgeting; Budget Calendar requirements; form and content of the City Manager's Adopted Budget; adoption of the Budget by June 30th; the City Manager's budget authority; requirement that budget amendments be approved by the City Council; budget transfers and modification procedures; automatic adjustments and re-appropriations; budget monitoring and reporting; and reserve requirements for all funds.

The major changes to the Budget Guidelines include for Council to authorize the City Manager to accept grants or donations up of \$100,000 or less, increase department revenues and appropriations accordingly and execute related agreements as long as no matching funds are required, and/or departments do not require additional funding for ongoing maintenance costs or future replacement costs. With this change, the Director of Finance is required to report quarterly the acceptance of any grants and donations as part of the quarterly financial status report. Annually, as part of the 4th Quarter Financial Status Report, the Director of Finance shall report on all active grants and grants closed out during the fiscal year including the purpose of the grant, the granting agency, the grant amount awarded, remaining grant funds, and grant activities completed or underway.

### **Reserves**

On February 16, as part of rebalancing the FY 2020-21 budget, the City Council established a FY 2021-22 Future Deficit Reserve in the amount of \$1.45 million, which was scheduled to be liquidated with the approval of this budget, and defunded 13.75 positions, thereby proactively reducing the FY 2021-22 shortfall to approximately \$3 million. However, the set-aside of one-time anticipated expenditure savings, which funded the FY 2021-22 Future Deficit Reserve, is not needed anymore to balance the FY 2021-22 Proposed Budget. Therefore, this budget recommends allocating the FY 2021-22 Future Deficit Reserve to a Future Deficit Reserve. The table below



provides a status of estimated General Fund reserve balances as of 06/30/2022. As part of closing out each fiscal year, the reserve balances are updated consistent with the City's reserve policies.

With \$77.5 million in reserves, or 70.0% of the FY 2021-22 Proposed General Fund Expenditure Budget, the City has slightly exceeded the reserve level in comparison to the last pre-pandemic fiscal year as a percent of budgeted expenditures. After closing of the FY 2018-19 budget, per Council Policy the reserve level was increased to \$84.6 million or 69.6% of the FY 2019-20 Adopted General Fund Expenditure Budget which includes transfers to other funds.

**Table 5 – General Fund Reserves (\$ in Millions)**

|   | Reserve Balance<br>(as of 6/30/2020) | FY 2020-21<br>Mid-Year Budget<br>2/16/2021 | FY 2020-21 Est.<br>Reserve Balance<br>6/30/2021 | Reserve Target<br>per Fiscal<br>Policies |
|---|--------------------------------------|--|---|--|
| Contingency Reserve                                 | \$17.30                              | \$17.30                                    | \$17.30   | \$17.30                                  |
| Budget Stabilization Reserve                        | 12.61                                | 12.61                                      | 12.61   | 17.30                                    |
| FY 2021-22 Future Deficit Reserve                   | 1.45                                 | 1.45                                       |   | N/A                                      |
| Future Deficit Reserve                              |                                      |  | 1.45  | N/A                                      |
| <b>Total Unassigned Reserve</b>                     | <b>31.36</b>                         | <b>31.36</b>                               | <b>31.36</b>                                    |  |
| Artificial Turf                                     | 1.21                                 | 1.21                                       | 1.21  | 2.00                                     |
| Facilities Replacement Fund                         | 7.00                                 | 7.00                                       | 7.00  | 10.00                                    |
| PERS Stabilization                                  | 33.90                                | 33.90                                      | 33.90   | N/A                                      |
| Technology Replacement Reserve                      | 2.00                                 | 2.00                                       | 2.00  | 5.00                                     |
| Workers' Compensation/<br>General Liability Reserve | 2.00                                 | 2.00                                       | 2.00  | N/A                                      |
| <b>Total Committed General Fund Reserves</b>        | <b>46.11</b>                         | <b>46.11</b>                               | <b>46.11</b>                                    |  |
| <b>Total Unassigned and Committed Reserves</b>      | <b>\$77.47</b>                       | <b>\$77.47</b>                             | <b>\$77.47</b>                                  |  |

## Major Development Activities in the City

**Milpitas 2040 General Plan** – In early March 2021, the Milpitas City Council unanimously adopted a new General Plan as a roadmap for the growth of the Milpitas community and to establish goals, policies, and actions to guide ongoing and future development in the City. The Milpitas General Plan was last comprehensively updated in 1994. In 2016, the City embarked on a multi-year process to comprehensively update its General Plan. As part of a multi-year process, the City engaged in an extensive public outreach process to gather input from residents, business owners, and other community stakeholders on key community values and priorities to be addressed in the General Plan.

The new General Plan is comprised of 12 elements to address community-wide issues related to land use, circulation, community design, economic development, conservation and sustainability, utilities and community services, safety, noise, parks and open space, community health and wellness, housing, and implementation. Key objectives addressed in the Milpitas 2040 General Plan include protecting and enhancing the unique character of the Milpitas community, promoting the efficient use of limited land resources, fostering strategic land use decisions, and facilitating the use of alternative transportation options, while promoting opportunities for economic development, improving public health outcomes, high-quality local job growth, and fiscal sustainability.

**Milpitas Metro Specific Plan** – In June 2008, the Milpitas City Council adopted the Transit Area Specific Plan (TASP) to establish a vision for future pedestrian-oriented development in the area surrounding the future Milpitas Transit Center. The TASP would support the goal of creating a regional transportation hub in Milpitas connecting Valley Transportation Authority (VTA) light rail and regional bus service with the long-awaited extension of Bay Area Rapid Transit (BART) into the South Bay. The TASP called for replacing existing low-intensity industrial buildings and uses with new mixed-use residential, commercial, and office/employment uses at significantly higher densities and intensities of development to create a true transit-oriented community.

In February 2020, the City of Milpitas teamed up with consultants from Urban Field Studio to update the TASP and enhance the plan vision consistent with the City's new General Plan. This update effort, rebranded as the Milpitas Metro Specific Plan, envisions a robust expansion of the TASP to take advantage of the unique relationship and proximity to both BART and VTA light rail. The Metro Plan will provide clear policy guidance for the future development of nearly 168 acres (48% of the plan area) that have yet to be redeveloped in accordance with the original TASP vision and standards. In addition to providing for a new jobs-rich Innovation District within walking distance of the Transit Center, the Metro Plan will play an important role in the City's efforts to develop new affordable housing to meet its Regional Housing Needs Allocation (RHNA) from the State of California.

**Economic Development Strategy** – Economic Development and Job Growth is a key City Council priority, which is vital to the health of the local economy. The City Council adopted the Economic Development Strategy and Implementation Actions report (EDS) on May 5, 2020 to serve as Milpitas' road map to grow and diversify the City's economy, support businesses and workers, and improve quality of life in the community. The EDS is a policy document that was approved a few months into the COVID-19 pandemic and includes vital strategies and implementation actions to assist the business community with resiliency and recovery in order to stabilize and grow the local economy. The City is poised to continue to administer the EDS and execute the implementation actions over a 5-year period. Some of the EDS goals include creating a resilient and sustainable local economy, capturing emerging innovation and technologies, identifying investment and growth opportunities, preparing students and the local workforce for future jobs, and enhancing competitiveness and strengthen Milpitas' position within the Silicon Valley economy.

**Residential Development** – Despite the ongoing COVID-19 pandemic, the City approved several major new residential and mixed-use projects in FY 2020-21. Within the Transit Area, the City approved a 357-unit residential mixed-use project at 1320 McCandless Drive (Lyon Living - The Fields) that included 25,179 square feet of ground-floor retail and a 162-room extended-stay hotel. Outside of the Transit Area, the City approved a 44-unit infill project within the existing Sunnyhills apartment complex and a 372-unit mixed-use project at 600 Barber Lane with 5,500 square feet of ground-floor retail, 12,800 square feet of upper floor office space, and shared parking for 533 vehicles.

**Non-residential Development** – In FY 2020-21, the City has also approved several new non-residential projects. In June 2020, the popular Chik-fil-A chain received approval to locate a new restaurant with drive-through service within the Milpitas Town Center at the corner of Calaveras Blvd. and Hillview Drive. In early 2021, Stratford Schools received approval to renovate and expand an existing building at 25 Corning Avenue for a new school facility for up to 576 students. And in March 2021, Overton-Moore Properties received approval to replace existing

obsolete manufacturing buildings at 1000 Gibraltar Drive with a new 491,040-square foot distribution facility. The City also approved expansion plans for local retail and other smaller businesses. In addition, vital business attraction and investment efforts are underway in Milpitas. The following businesses have signed leases for space in Milpitas: AEVA, NVZN, Smart Modular, Common Wealth Fusion Systems, cPacket Networks, and MKS Instruments. These new Milpitas businesses will not only create new jobs but generate sales tax revenues through business to business relationships.

### Conclusion

A year ago, when I submitted the FY 2020-21 Proposed Budget for your consideration, I stated in part that, “Our economic outlook is highly uncertain at this juncture, and that we have little understanding of the short-term and long-term impact of the COVID-19 Pandemic on our society and economy.”

Indeed, the Pandemic created havoc. Some of our residents were infected with the virus or may have lost a family member or friend to the disease; some of our small businesses had to temporarily or permanently shut their doors; and the City lost millions of dollars in revenue. However, with the guidance of the Council, the support of the voters, and the steadfast commitment of our employees, especially the four employee groups that agreed to forego their contractual wage increase in 2021, we have mostly weathered this storm. This budget, which is balanced without use of reserves and use of American Rescue Plan Act (ARPA) funds, eliminates the General Fund structural deficit by FY 2022-23, per Council direction, with only some service level impacts to our community and regains the City’s fiscal stability.

Now it is our responsibility to rebuild our community with the resources proposed in this budget and with ARPA funds, implement the City’s Economic Development Strategy and remain fiscally focused. With President Biden’s American Rescue Plan Act, which provides direct relief to our residents and businesses in need, funds efforts to combat the virus, and allocates close to \$17 million over two fiscal years, we can strategically support our community while investing in one-time needs and long-term fiscal stability. As directed by the Council, as part of the FY 2021-22 Budget Study Session, scheduled for May 11, staff will bring for Council consideration a summary of ARPA programs available to our residents and businesses as well as a spending plan of the City’s allocation consistent with US Department of Treasury guidance, if available in sufficient time before the May Study Session.

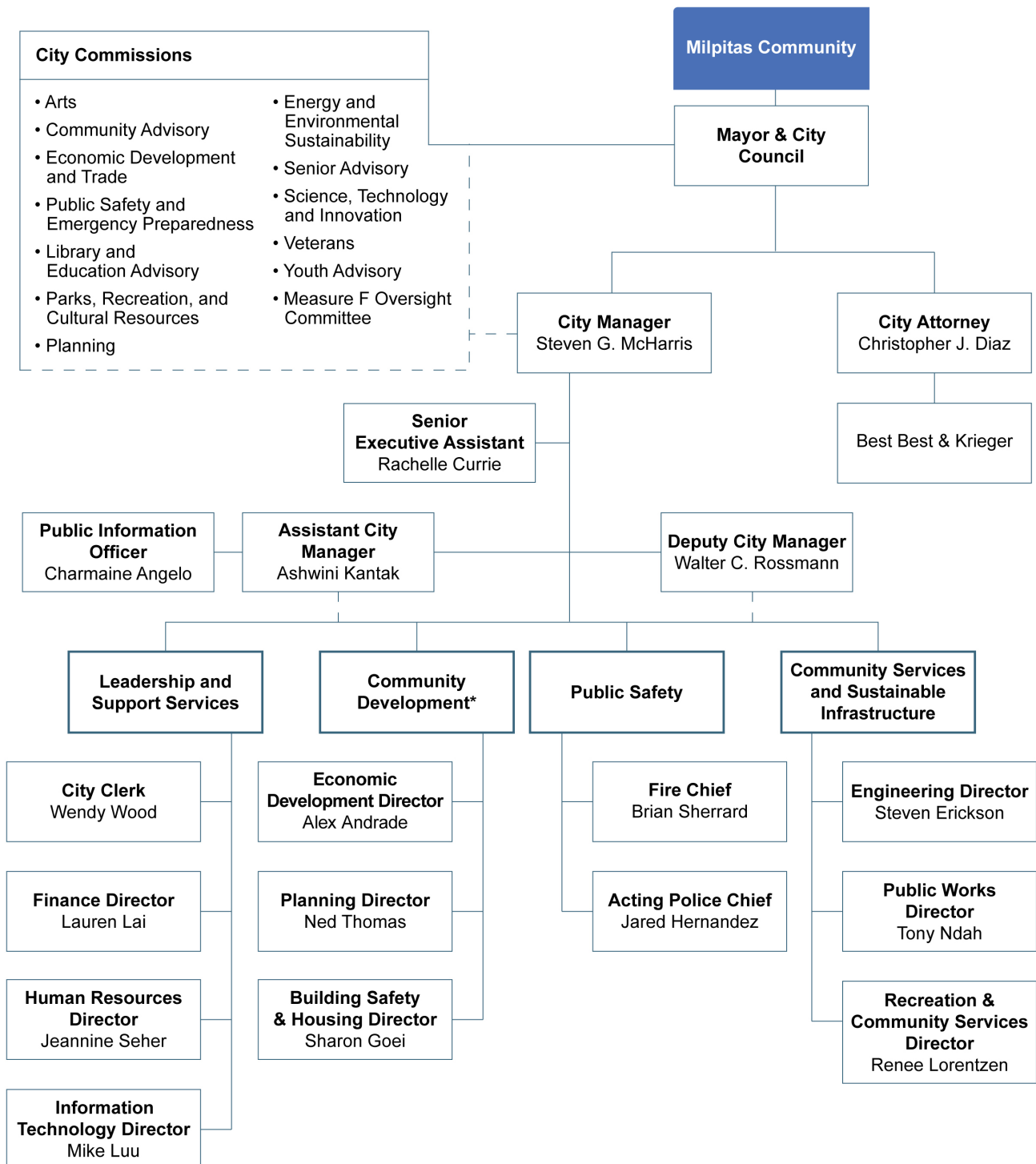
Although more work is to be done, I would like to pause and thank the Executive Leadership Team and their staff as well as the Finance Department for helping me maneuver through this Pandemic and putting this budget together. However, we only arrived at this juncture through the foresight, leadership and direction of the Mayor and Members of our City Council, for which I am grateful. With your guidance, Milpitas has successfully navigated through this uncertainty we experienced and is poised to recover well from the impacts of this Pandemic.

Respectfully submitted,



Steven G. McHarris  
**City Manager**

# Organization Chart



\*Fire Prevention (Fire Department) and Land Development (Engineering Department) are part of Community Development.



## History

Before roads were carved and houses were built, Milpitas and its surrounding areas were home to Native Americans in the Costanoan and Ohlone tribes. Living off the bounty of the land around San Francisco Bay, the Costanoans and the Ohlones prospered for hundreds of years long before Mexican or Spanish immigrants came to conquer the land.

In the 18th century, Spanish explorers surveyed the land and were the first to give Milpitas its name - milpa - or little cornfields. Three large ranches began, and two families, the Alvisos and the Higuerras, built adobes in the mid-1800s which still stand today.



In 1850, the California Gold Rush began, and “American” settlers started taking over the region. In 1852, a settler from Ireland, Michael Hughes, built the first redwood-framed house in what is now Milpitas. Soon after, the first school was built, and by 1857, Milpitas had a hotel, general store and a post office.

Fruit orchards began to spring up in the 1870s, and later the region was known for its hay growing. The population continued to grow into the 1880s and settlers numbered over 1,500. But by the turn of the century, only about a third of those people remained.

Populations would remain low until shortly after World War II, when Western Pacific Railroad bought a 300 acre industrial park within the city and Ford Motor Company announced it would shift its manufacturing plant from Richmond (just north of Oakland) to Milpitas. The population grew to 825. Sewer and water service, and fire protection were set up shortly after, as was one of the country’s first integrated housing communities.

On January 26, 1954, the city was officially incorporated, after fighting off annexation attempts by neighboring San Jose. Ten years later, populations grew to 7,000.

Following the computer firm boom of the 1980s and the opening of one of the nation’s largest malls in 1994, the city is now home to 84,196 residents<sup>1</sup>.

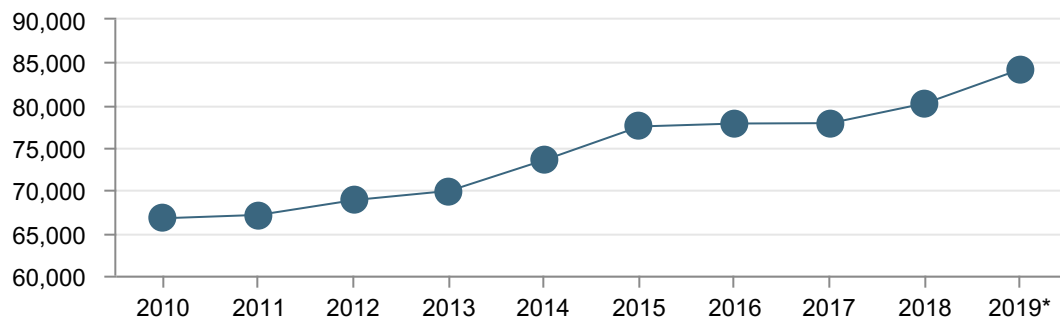
Photos courtesy of: Eliren Pasion  
History courtesy of: The Milpitas Post

## Demographic Profile

### Population

Once a small agricultural town and later a stopover point for travelers between Oakland and San Jose, Milpitas has blossomed into one of the world's premier computer and semiconductor producers. Tenants of the burgeoning city of 84,196 are family-centered communities that embrace cultural diversity, quality schooling, and conveniently located neighborhood parks and shopping centers.

### Population



### Development



Incorporated in 1954 with 825 residents, Milpitas is located at the southern tip of the San Francisco Bay and in Silicon Valley. Milpitas covers 13.6 square miles, with grassy foothills and picturesque Mount Hamilton to the east and the Santa Clara Valley floor to the west. The city is located in Santa Clara County, home to over 1.9 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California.

There are approximately 14.5 million square feet of office, R&D, and manufacturing space. This inventory is flexible and includes a diversity of building types and sizes, which can accommodate businesses in need of different types of spaces. Milpitas currently has 5.5 million square feet of warehouse and distribution space.



Milpitas has a large and diverse offering of retail stores and restaurants, mostly concentrated in suburban-style shopping centers. Milpitas has nearly 5 million square feet of retail, of which three quarters is located in retail centers of different sizes and trade areas. Milpitas has an ethnically diverse array of retail and restaurants, and a significant portion of retail in Milpitas is specialized in Asian products. Milpitas has major regional retail destinations that attract shoppers from beyond the city. The largest centers are the Great Mall, a 1.4 million square foot super-regional mall, and McCarthy Ranch, a 415,000 square foot power center.

## Employment

With over 51,500 jobs and approximately 38,100 employed residents, Milpitas is a jobs rich community. The two largest employers in Milpitas are Cisco Systems with over 3,000 employees and KLA with over 2,000 employees.<sup>3</sup> Other major employers are, Flex, Headway Technologies and Milpitas Unified School District. Several of these top employers have made Milpitas their corporate headquarters location. The largest percentage of the Milpitas workforce, approximately 26%, are employed in manufacturing, 19% professional, scientific, technical services, and 10% accommodation and food services.<sup>4</sup>

The City's largest own-source revenue is property tax. Top ten property tax payers are shown below:<sup>5</sup>



| Principal Property Tax Payers: Fiscal Year 2020-21 |                                     |                                |
|--|-------------------------------------|--------------------------------|
| Taxpayers  | Taxable Assessed Value <sup>1</sup> | % of Total City Assessed Value |
| 1. Cisco Systems Inc.                              | \$497,147,477                       | 2.54%                          |
| 2. KLA Tencor Corporation                          | 493,940,280                         | 2.52%                          |
| 3. Milpitas Mills LP                               | 342,671,781                         | 1.75%                          |
| 4. SandBox Expansion LLC                           | 241,923,583                         | 1.23%                          |
| 5. Campus 237 Owner LLC                            | 238,100,000                         | 1.22%                          |
| 6. Milpitas-District 1 Owner LLC                   | 220,914,767                         | 1.13%                          |
| 7. McCarthy Center Holdings LLC                    | 194,779,911                         | 0.99%                          |
| 8. Lago Vista Milpitas LLC                         | 172,205,403                         | 0.88%                          |
| 9. Amalfi Milpitas LLC                             | 171,056,332                         | 0.87%                          |
| 10. LMC Milpitas Holdings I LLC                    | 170,685,954                         | 0.87%                          |
| <b>Total</b>                                       | <b>\$2,743,425,488</b>              | <b>14%</b>                     |

<sup>1</sup> The total City assessed valuation for fiscal year 2020-21 is \$19,594,415,642.  
Source: California Municipal Statistics, Inc.

## Community

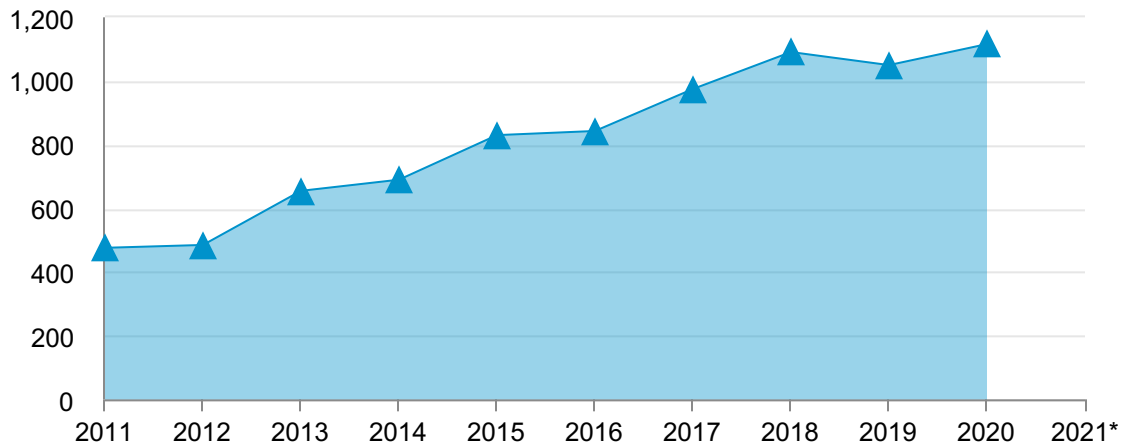
At 20 feet above sea level, Milpitas' mild climate averages 59 degrees, with gentle winds from the northwest and little more than 13 inches of rain expected in a typical year. Milpitas' neighborhoods are dotted with over 20,000 households and well-placed parks. Thirty-two community parks are maintained by Milpitas, in addition to one dog park and 21 tennis courts. The City provides a multitude of outstanding recreational opportunities, including aquatics, cultural arts and theater, sports leagues and activities, youth programming, and senior activities and services. Milpitas' median household income is \$132,320.<sup>6</sup> In 2018, about 63.5% of households in Milpitas earned more than \$100,000 annually.<sup>7</sup>



## Housing

Close to 64.8 percent of Milpitasans own their own home. Market rents average around \$2,280 and \$2,684 per month for one- and two-bedroom apartments, respectively. The median price of a home as of February 2021 in Milpitas is \$1,357,500.<sup>8</sup> About 24.4 percent of the city's population are 19 years old or younger. About 64 percent of the population are between 20 and 64 years old. About 12.2 percent of residents are 65 years and over.

### Medium Home Price (in thousands)

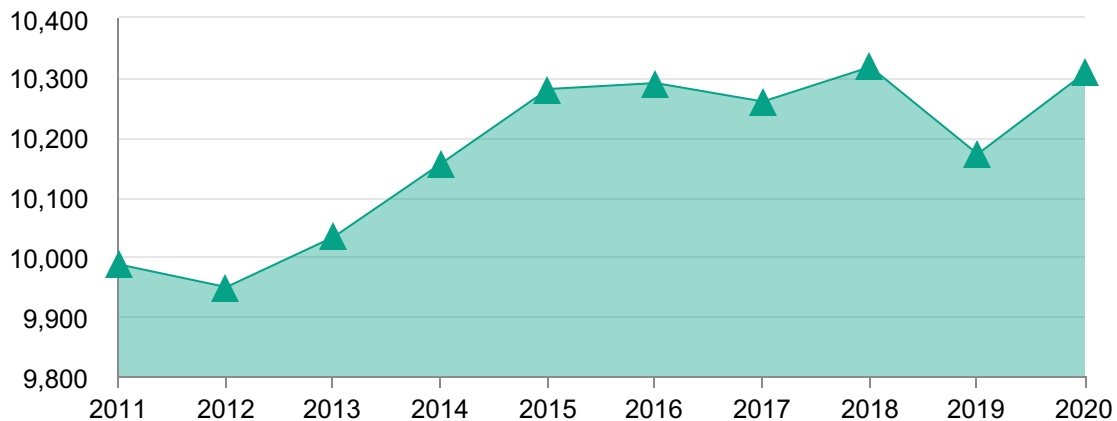


\*No data available for 2021

## Education

The Milpitas Unified School District operates ten elementary schools (K-6), two middle schools (7-8), two high schools (9-12), one continuation high school, and one adult education school. The district employed over 500 individuals on a full-time basis to serve approximately 10,000 students as a PreK-12 grade school system.<sup>9</sup>

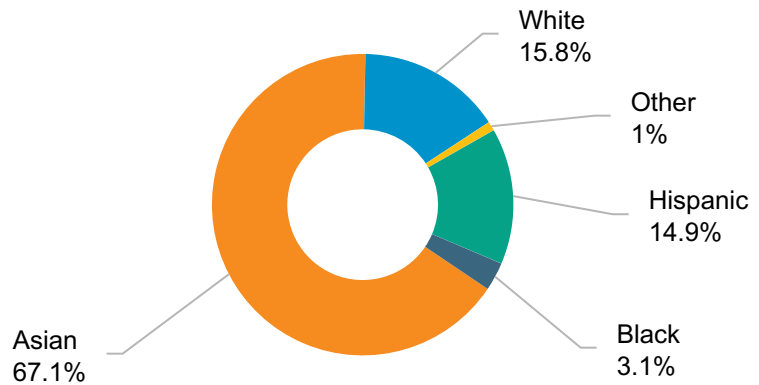
### School Enrollment





## Facts About Our Residents

According to census data, an estimated 67.1 percent of residents are Asian; 15.8 percent are White; 14.9 percent are Hispanic or Latino; and 3.1 percent are Black. According to the 2014-2018 American Community Survey, 52% of Milpitas residents are foreign born compared with 39% of residents in Santa Clara County and 27% of residents in California.



## Government

The bustling general law city is supervised by a council-manager form of government. The Milpitas City Council is the flagship decision making body that appoints members to many commissions that serve in advisory capacities. The mayorship is an elected position, as are all the council seats. Mayors serve two-year terms; council members have four-year seats.

The City Council makes the ultimate planning and policy decisions for residents, and oversees the city's \$248 million budget. The five members carry out twice a month public meetings. At these times, the public's comments are usually heard, under the citizen's forum.

The Council's meetings are held the first and third Tuesdays of each month at 7:00 p.m. in the Milpitas City Hall, 455 E. Calaveras Blvd.

There are 12 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Library and Education Advisory Commission and Senior Advisory Commission, to name a few.

Issues challenging most commissions these days are development, quality of life and how to streamline traffic bottlenecks that plague this area at commute times.

<sup>1</sup> <https://www.census.gov/quickfacts/milpitascitycalifornia>

<sup>2</sup> Economic Development Department

<sup>3</sup> City of Milpitas Comprehensive Annual Financial Report - Year Ended June 30, 2019 - Statistical Section

<sup>4</sup> City of Milpitas Economic Development Strategy and Implementation Actions Report

<sup>5</sup> Fieldman, Rolapp & Associates, Inc

<sup>6</sup> <https://data.census.gov/cedsci/>

<sup>7</sup> <https://data.census.gov/cedsci/>

<sup>8</sup> HdL Coren & Cone The City of Milpitas Sales Value History

<sup>9</sup> <https://dq.cde.ca.gov/dataquest/>

## Milpitas at a Glance

### Date of Incorporation:

January 26, 1954

### Form of Government:

Council-Manager

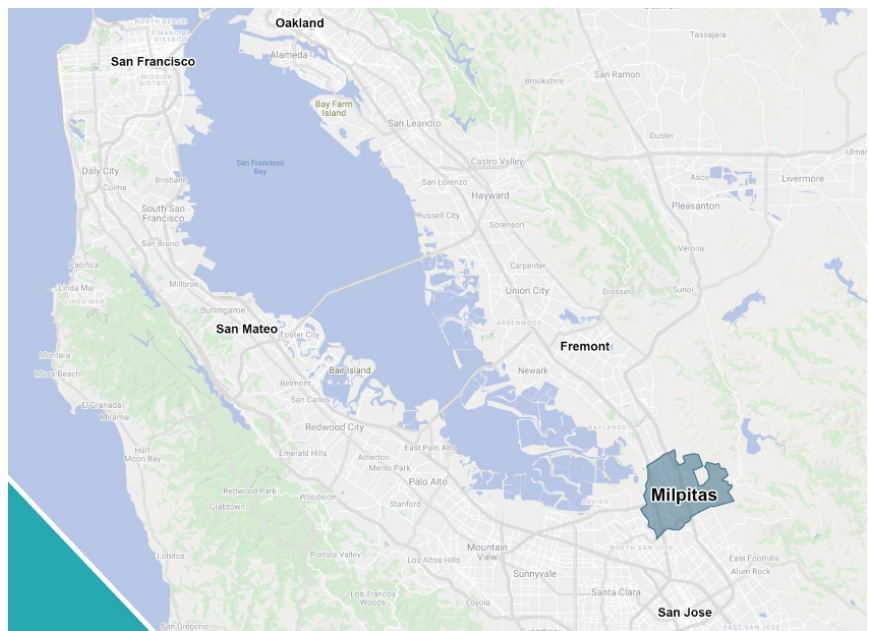
|                                  |               |  |               |
|----------------------------------|---------------|--|---------------|
| <b>Population (estimated*)</b>   | <b>84,196</b> | <b>Water Utility</b>                           |               |
| Land area (Square Miles)         | <b>13.6</b>   | Number of Customers                            |               |
| Miles of Streets                 | <b>298</b>    | Residential                                    | <b>14,721</b> |
| Number of Street Lights          | <b>4,494</b>  | Commercial                                     | <b>2,206</b>  |
|                                  |               | Recycled Water                                 | <b>232</b>    |
| <b>Fire Protection</b>           |               | Average Daily Consumption (in million gallons) |               |
| Number of Stations               | <b>4</b>      | Potable Water                                  | <b>7.44</b>   |
| Number of Firefighters           | <b>63</b>     | Recycled Water                                 | <b>0.96</b>   |
| Fire Apparatus                   | <b>13</b>     | Miles of Water Mains                           | <b>206</b>    |
| Number of Fire Hydrants          | <b>2,308</b>  |  |               |
| <b>Police Protection</b>         |               | <b>Sewer Utility</b>                           |               |
| Number of Stations               | <b>1</b>      | Miles of Sanitary Sewers                       | <b>173</b>    |
| Number of Substations            | <b>1</b>      | Miles of Storm Drains                          | <b>99</b>     |
| Number of Sworn Officers         | <b>93</b>     | <b>Public Schools Serving the Community</b>    |               |
| Number of Crossing Guard Posts   | <b>38</b>     | Elementary Schools                             | <b>10</b>     |
| Number of Police Patrol Vehicles | <b>30</b>     | Middle Schools                                 | <b>2</b>      |
|                                  |               | High Schools                                   | <b>2</b>      |
| <b>Employees</b>                 |               | Community College Extension                    | <b>1</b>      |
| Permanent                        | <b>415.5</b>  |  |               |
| Temporary (FTE)                  | <b>44</b>     |  |               |
|                                  |               | <b>Parks and Recreation</b>                    |               |
|                                  |               | Acres of Parkland                              | <b>153.81</b> |
|                                  |               | Number of Parks                                | <b>36</b>     |
|                                  |               | Number of Playgrounds                          | <b>33</b>     |
|                                  |               | Number of Tennis Courts                        | <b>21</b>     |
|                                  |               | Number of Swimming Pools                       | <b>3</b>      |

\*July 1, 2019 population estimate, U.S. Census  
 City of Milpitas - Finance  
 City of Milpitas - Fire  
 City of Milpitas - Information Technology  
 City of Milpitas - Police  
 City of Milpitas - Public Works  
 City of Milpitas - Recreation and Community Engagements

## Map

The City of Milpitas is located near the southern tip of San Francisco Bay, forty-five miles south of San Francisco. Milpitas is often called the “Crossroads of Silicon Valley” with most of its 13.63 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a county expressway.

A light rail line opened for service in 2004 and an extension of BART, including a major multi-modal station opened for service in June 2020.





## FY 2022-2031 Ten-Year General Fund Financial Forecast

Starting with the FY 2020-21 Budget, staff developed a Ten-Year General Fund Financial Forecast to highlight long-term impacts of projected revenues and expenditures primarily to enhance the City's fiscal long-term stability and pension costs management. When the California Public Employees Retirement System (CalPERS) changes the actuarial assumptions of the pension portfolio, such as lowering the interest earning or demographic assumptions, such changes become fully effective seven years after CalPERS Board approval. In addition, long-term forecasts provide an invaluable planning tool to understand the fiscal implications of today's budget actions and are an indication of sound fiscal planning and strategy.

The table below shows the FY 2022-2031 Ten-Year General Fund Financial Forecast starting with the FY 2021-22 Proposed Budget. Over the ten years of the Forecast based on information available in March, staff projects annual surplus and deficits between \$1.4 million and -\$8.7 million. With the sunset of Measure F effective April 1, 2029, deficits are anticipated starting with FY 2028-29. Therefore, Measure F revenue needs to be shifted from paying for ongoing services to one-time investments by FY 2028-29 to prevent service reductions towards the end of this Forecast. The table below also includes the information on the City's current year budget as amended as of February 16, 2021. Revenues and other Sources includes taxes, fees, overhead charges and use of reserves, as applicable. Uses includes personnel and non-personnel expenditures, debt service and contributions to reserves, as applicable.

**Table 1 – FY 2022-2031 Ten-Year General Fund Financial Forecast - Overview (\$ in 000s)**

|                               | FY 20-21<br>Adopted<br>Budget | FY 20-21<br>Amended Budget<br>(as of 2/16/2021) | FY 21-22<br>Proposed<br>Budget | FY 22-23<br>Forecast | FY 23-24<br>Forecast | FY 24-25<br>Forecast |
|-------------------------------|-------------------------------|---|--------------------------------|----------------------|----------------------|----------------------|
| Revenues and Other<br>Sources | \$117,050                     | \$112,932                                       | \$110,730                      | \$116,448            | \$121,572            | \$126,538            |
| Expenditures                  | (117,050)                     | (112,932)                                       | (110,730)                      | (116,115)            | (120,166)            | (125,109)            |
| <b>Net Operating Results</b>  | <b>\$0</b>                    | <b>\$0</b>                                      | <b>\$0</b>                     | <b>\$334</b>         | <b>\$1,406</b>       | <b>\$1,429</b>       |

|                               | FY 25-26<br>Forecast | FY 26-27<br>Forecast | FY 27-28<br>Forecast | FY 28-29<br>Forecast | FY 29-30<br>Forecast | FY 30-31<br>Forecast |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues and Other<br>Sources | \$130,676            | \$135,064            | \$139,427            | \$141,959            | \$140,590            | \$145,119            |
| Expenditures                  | (129,234)            | (134,123)            | (138,829)            | (143,734)            | (148,566)            | (153,786)            |
| <b>Net Operating Results</b>  | <b>\$1,442</b>       | <b>\$941</b>         | <b>\$598</b>         | <b>(\$1,775)</b>     | <b>(\$7,976)</b>     | <b>(\$8,667)</b>     |

The following sections discuss the year-over-year change between the FY 2020-21 Adopted Budget, as amended on February 16th, and the FY 2021-22 Proposed Budget as well as assumptions embedded in the FY 2022-2031 Ten-Year General Fund Financial Forecast for major revenue and expenditure categories. On February 16th, as part of rebalancing the FY 2020-21 budget, the City Council approved defunding of 13.75 positions, reduction of temporary personnel costs, and establishing a FY 2021-22 Future Deficit Reserve in the amount of \$1.45 million, which the Council approved for balancing the FY 2021-22 Proposed Budget. These actions reduced the FY 2021-22 shortfall to approximately \$3 million and the projected shortfall for FY 2022-23 to \$1.6 million. However, instead of using the FY 2021-22 Future Deficit Reserve in the amount of \$1.45 million to balance the FY 2021-22 Proposed Budget, this budget allocates the funds to a Future Deficit Reserve resulting in a slight increase to the pre-pandemic General Fund reserve level as a percent of budgeted expenditures.



# Ten-Year General Fund Financial Forecast

## Revenues and Other Sources

**Table 2 – FY 2022-2031 Ten-Year General Fund Financial Forecast –  
Revenues and Other Sources (\$ in 000s)**

|                               | FY 20-21<br>Adopted<br>Budget | FY 20-21<br>Amended Budget<br>(as of 2/16/2021) | FY 21-22<br>Proposed<br>Budget | FY 22-23<br>Forecast | FY 23-24<br>Forecast | FY 24-25<br>Forecast |
|-------------------------------|-------------------------------|---|--------------------------------|----------------------|----------------------|----------------------|
| <b>Revenues/Sources</b>       |                               |   |                                |                      |                      |                      |
| Property Taxes                | \$36,872                      | \$36,872  | \$41,270                       | \$41,580             | \$42,592             | \$44,212             |
| Sales & Use Tax               | 28,372                        | 23,303  | 25,633                         | 27,292               | 28,030               | 28,652               |
| Sales Tax – Measure F         | 0                             | 1,203   | 6,308                          | 6,725                | 6,906                | 7,058                |
| Transient Occupancy Tax       | 13,453                        | 4,100   | 7,714                          | 9,131                | 9,953                | 10,401               |
| Licenses, Permits & Fines     | 9,907                         | 9,399   | 10,277                         | 11,980               | 13,489               | 14,634               |
| Charges for Services          | 7,815                         | 4,950   | 4,226                          | 4,387                | 4,536                | 4,679                |
| Franchise Fees                | 5,515                         | 5,515   | 5,751                          | 5,936                | 6,128                | 6,328                |
| Use of Money and Property     | 1,364                         | 1,000   | 500                            | 525                  | 536                  | 546                  |
| Other Taxes                   | 1,197                         | 1,197   | 1,023                          | 1,043                | 1,064                | 1,085                |
| Intergovernmental             | 808                           | 3,975   | 1,155                          | 541                  | 320                  | 320                  |
| Other Revenues                | 258                           | 892   | 320                            | 335                  | 352                  | 361                  |
| Operating Transfers In        | 7,014                         | 16,051  | 6,553                          | 6,974                | 7,667                | 8,262                |
| Budget Stabilization Reserve  | 4,475                         | 4,475   | 0                              | 0                    | 0                    | 0                    |
| <b>Total Revenues/Sources</b> | <b>\$117,050</b>              | <b>\$112,932</b>                                | <b>\$110,730</b>               | <b>\$116,448</b>     | <b>\$122,572</b>     | <b>\$126,538</b>     |

|                               | FY 25-26<br>Forecast | FY 26-27<br>Forecast | FY 27-28<br>Forecast | FY 28-29<br>Forecast | FY 29-30<br>Forecast | FY 30-31<br>Forecast |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Revenues/Sources</b>       |                      |                      |                      |                      |                      |                      |
| Property Taxes                | \$45,893             | \$47,638             | \$49,450             | \$51,331             | \$53,283             | \$55,310             |
| Sales & Use Tax               | 29,258               | 29,847               | 30,593               | 31,358               | 32,142               | 32,945               |
| Sales Tax – Measure F         | 7,206                | 7,350                | 7,534                | 5,792                | 0                    | 0                    |
| Transient Occupancy Tax       | 10,661               | 10,980               | 11,310               | 11,649               | 11,999               | 12,359               |
| Licenses, Permits & Fines     | 15,137               | 15,701               | 16,287               | 16,863               | 17,460               | 18,078               |
| Charges for Services          | 4,812                | 4,958                | 5,110                | 5,263                | 5,422                | 5,585                |
| Franchise Fees                | 6,534                | 6,749                | 6,971                | 7,202                | 7,441                | 7,689                |
| Use of Money and Property     | 557                  | 574                  | 591                  | 609                  | 627                  | 646                  |
| Other Taxes                   | 1,107                | 1,130                | 1,153                | 1,176                | 1,201                | 1,226                |
| Intergovernmental             | 320                  | 320                  | 320                  | 320                  | 320                  | 320                  |
| Other Revenues                | 371                  | 382                  | 393                  | 404                  | 415                  | 427                  |
| Operating Transfers In        | 8,819                | 9,435                | 9,716                | 9,993                | 10,281               | 10,536               |
| Deficit Reserve               | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Total Revenues/Sources</b> | <b>\$130,676</b>     | <b>\$135,064</b>     | <b>\$139,427</b>     | <b>\$141,959</b>     | <b>\$140,590</b>     | <b>\$145,119</b>     |

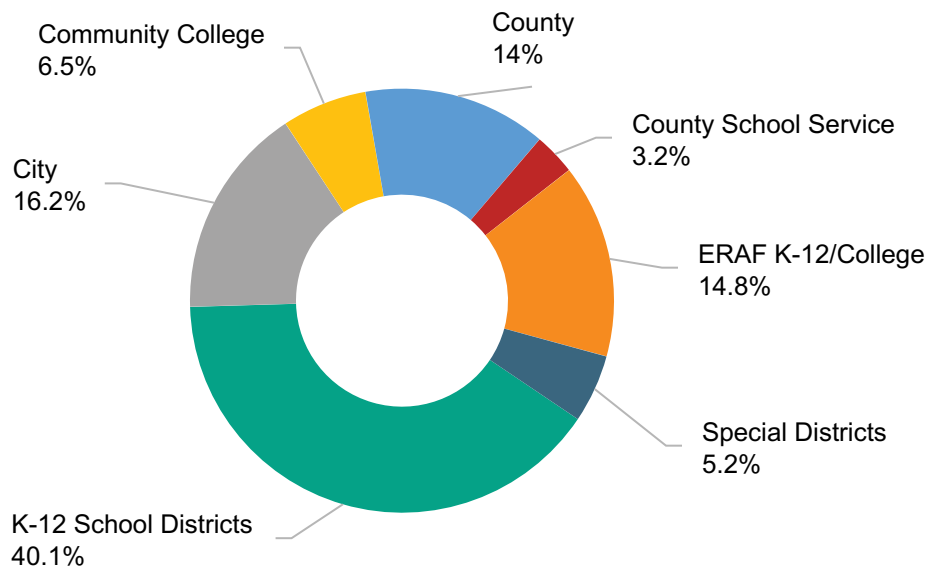
**Property tax revenues** are estimated to be \$41.3 million in FY 2021-22, an increase of \$4.4 million, or 11.9%, compared to the FY 2020-21 adopted budget of \$36.9 million. Excess ERAF (Educational Revenue Augmentation Fund) of \$2.5 million was included for FY 2021-22 and a decrease in FY2022-23 by \$1.3 million, or 50%, from estimated FY2021-2022 ERAF, based on recent developments. Excess ERAF is the mechanism that moves state funds through the County system. The California Legislature created the Educational Revenue Augmentation Fund in 1991 to reduce state general fund spending on schools, therefore a portion of property tax revenue goes to ERAF to support local school districts. The Excess ERAF formula for allocation to cities is based on various factors, mainly the countywide property tax growth, Redevelopment Agency assets sale, department of education's local control funding formula, school districts attendance rate, and special education charges. Due to uncertainty of receipt, staff did not budget this one-time revenue source for the remainder of the forecast. Staff develops the Property Tax revenue estimates based on information provided by the City's property tax consultant and the County of Santa Clara. For FY 2022-23, staff has built in a slight increase of property tax revenue estimates returning to historical annual growth rates over the remainder of the Forecast between 2.5% and 4.0%. Recent years' distributions were higher due to RDA assets sale, decrease in amount of special education, and lower growth in local school funding requirements.

Proposition 13 limits the base property tax rate to 1% of the assessed value and an annual increase of the assessed value at the lesser of 2% or the California consumer price index (CCPI). Based on a 10-year average, staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will likely increase at a rate of 2 to 2.5% in each of the next five years and therefore the 2% limit of Proposition 13 will apply. Added assessed valuation from new housing and the reassessment of existing properties with change of ownerships are factored into the forecast.

### Allocation of Property Tax 1% Base Rate

The chart below shows the allocation of the property tax 1% base rate to all the taxing entities within the jurisdiction. The City's share is approximately 16.2% of the 1% base rate.

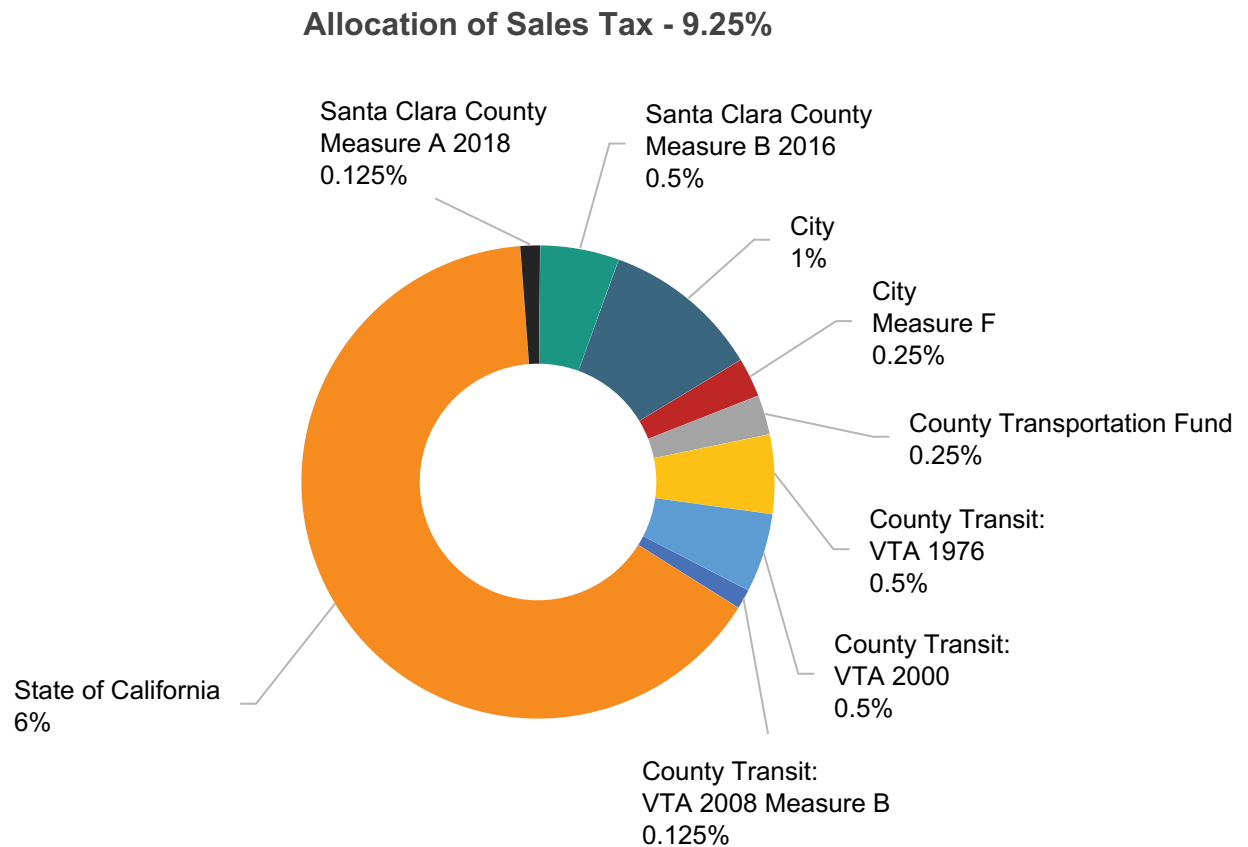
**Chart 1: Property Tax Allocation by Percent among various Governmental Entities**



**Sales tax revenue** is projected to be \$25.6 million in FY2021-22, a decrease of \$2.8 million, or 10.0% compared to FY2020-21 Adopted Budget of \$28.4 million. At the February 16th City Council meeting, the City Council approved reduction of the FY2020-21 revenue estimate for sales tax in amount of \$5.1 million, or 17.9%, from \$28.4 million to \$23.3 million. In comparison to the FY2020-21 Amended Budget, the revenue estimate for the FY2021-22 Proposed Budget is expected to increase by \$2.3 million, or 10.0%, from \$23.3 million to \$25.6 million. It is assumed that the impact to sales tax related to the Pandemic will occur during the first quarter of FY 2021-22 partially offset by increased governmental spending. With the gradual lifting of the shelter-in-place order, consumer spending is assumed to return to more sustained levels. An annual historical growth rate between 2.0% and 2.9% is projected for the remainder of the Forecast. The projected increase is mostly based on estimates from the City's sales tax consultant.

The chart below shows the allocation of sales tax rate among the taxing jurisdictions. The City's share of the total sales tax rate is one percentage point.

**Chart 2: 9.25% Sales Tax Allocation by Percentage Points among various Governmental Entities**



**Measure F ¼ Cent Local Sales Tax**, approved by the voters of the City of Milpitas in November 2020 with an eight-year sunset clause, is projected to be \$6.3 million in FY2021-22. The City of Milpitas Public Services Measure provides funding to maintain the City's finances and services including: police and fire protection, 9-1-1 emergency response, and natural disaster preparation; youth, senior, and recreation services; repairing park equipment and maintaining parks and recreation centers; and attracting and retaining local businesses.

**Transient Occupancy Tax (TOT)**, or Hotel/Motel tax Revenues, are projected to significantly decrease due to the COVID-19 Pandemic impact on the travel and hotel industry. At the February 16th City Council meeting, the City Council approved a reduction of the FY 2020-21 revenue estimate for TOT in the amount of \$9.4 million, or 69.5%, from \$13.5 million to \$4.1 million. In comparison to the FY 2020-21 Amended Budget, the revenue estimate for the FY 2021-22 Proposed Budget is expected to increase by \$3.6 million, or 88.1% from \$4.1 million to \$7.7 million (a decrease of \$5.7 million, or 42.7%, from FY 2020-21 adopted revenue estimates of \$13.5 million). This Forecast further assumes that the travel and hotel industry will never regain the occupancy levels as assumed prior to the Pandemic. TOT revenue estimates are projected to increase between 2.5% and 4.5% for the remainder of the Forecast.

**Licenses and permits** consist of building permits and fire permits which are primarily construction related. The estimated revenue for licenses and permits, for the FY 2021-22 Proposed Budget is \$10.3 million. It is projected to increase by \$0.9 million, or 9.3% from \$9.4 million to \$10.3 million in comparison to the FY 2020-21 Amended Budget (an increase of \$0.4 million, or 3.7%, from the FY2020-21 Adopted revenue estimates of \$9.9 million). Thereafter, it is projected that these revenues will resume pre-recession levels by FY 2023-24, primarily due to continued interest in residential developments in the Transit Area, and annual growth rates around 3.5% based on the annual growth rate of personnel cost increases.

**Charges for Services** are primarily user fees, including charges for private development related services, engineering fees and recreation service charges. Due to the Pandemic, many services were unable to be held in FY2020-21, therefore revenue estimates were decreased \$2.9 million, or 36.7%, from FY2020-21 Adopted Budget of \$7.8 million, as approved by City Council on February 16, 2021. The FY 2021-22 estimated revenue from Charges for Services is \$4.2 million, a decrease of \$0.7 million, or 14.6%, to FY 2020-21 amended revenue estimates of \$4.9 million (a decrease of \$3.6 million, or 45.9%, from the FY 2020-21 adopted revenue estimates of \$7.8 million). Charges for Services is projected to increase between 2.5% and 2.8% for the remainder of the forecast, and consistent with annual salary and benefit increases over the Forecast period. As demand for recreation services increases over the next few years, expenditures and revenues will be adjusted accordingly.

**Franchise Fees** are a regulatory fee charged to utility companies for the privilege of doing business in the City of Milpitas (i.e.: garbage franchise fee, gas and electric franchise fee). The FY 2021-22 estimated revenue from Franchise Fees is \$5.8 million, an increase of \$0.2 million, or 4.3%, compared to FY 2020-21 Adopted Budget revenue estimates of \$5.5 million. Franchise Fees are projected to increase an average of 3.0% for the remainder of the Forecast.

**Use of Money and Property** includes interest earnings on the City's cash pool. The City expects a decrease of \$0.5 million, or 50.0%, from the FY 2020-21 estimate of \$1.4 million to the FY 2021-22 estimate of \$0.5 million due to the declining interest rate environment and the anticipated transfer off about \$36 million from the city's cash pool to a Pension Section 115 Trust.

**Other Taxes** include real estate transfer tax and business license tax. As residential units are being developed and occupied, it is anticipated that the City will collect more real estate transfer tax. Due to the Pandemic, there has been a slight decrease in revenues, therefore the FY 2021-22 estimated revenue from Other Taxes is \$1.0 million, a decrease of \$0.2 million, or 14.5%, compared to FY 2020-21 Adopted Budget of \$1.2 million. Average annual increases of 3.0% are projected for the remainder of the Forecast.

## Ten-Year General Fund Financial Forecast

**Intergovernmental** represents the revenue account for federal and state grants. The main grant sources for the City include the annual Community Development Block Grants allocation and the three-year SAFER Grant for the addition of six Firefighter positions effective October 2019. In FY2020-21, the City also received Coronavirus Relief Funds. The FY2021-22 estimated revenue for Intergovernmental is \$1.2 million, an increase of \$0.4 million, or 42.8%, from FY2020-21 Adopted Budget of \$0.8 million. At this time, this budget does not assume receipt of any American Rescue Plan Act funds, which will be \$16.86 million to the City.

**Operating Transfers In** are mainly reimbursements from other funds for the staff support and administrative services provided by the General Fund. These costs are determined through a methodological allocation process (known as the Cost Allocation Plan, or CAP). Net transfers into the General Fund will increase in conjunction with operating expenditure increases, an average of 3.4% annually over the Forecast period. Operating Transfers are projected to be \$6.6 million in FY 2021-22, a decrease of \$0.5 million, or 6.6%, compared to FY 2020-2021 Adopted Budget revenues estimates of \$7.0 million.

### Expenditures

**Table 3 – FY 2021-2030 Ten-Year General Fund Financial Forecast - Expenditures (\$ in 000s)**

|                           | FY 20-21<br>Adopted<br>Budget | FY 20-21<br>Amended Budget<br>(as of 2/16/2021) | FY 21-22<br>Proposed<br>Budget | FY 22-23<br>Forecast | FY 23-24<br>Forecast | FY 24-25<br>Forecast |
|---------------------------|-------------------------------|---|--------------------------------|----------------------|----------------------|----------------------|
| <b>Expenditures</b>       |                               |   |                                |                      |                      |                      |
| Salaries                  | \$55,475                      | \$53,825  | \$54,095                       | \$56,395             | \$57,931             | \$59,817             |
| Benefits                  | 39,008                        | 35,180  | 34,300                         | 35,742               | 37,603               | 39,738               |
| Services & Supplies       | 22,019                        | 21,514  | 20,979                         | 21,690               | 22,305               | 23,190               |
| Debt Services             | 0                             | 412   | 1,013                          | 1,197                | 1,228                | 1,257                |
| Capital Outlay            | 248                           | 248   | 0                              | 248                  | 255                  | 262                  |
| Operating Transfers Out   | 300                           | 300   | 342                            | 842                  | 845                  | 845                  |
| <b>Total Expenditures</b> | <b>\$117,050</b>              | <b>\$111,479</b>                                | <b>\$110,730</b>               | <b>\$116,115</b>     | <b>\$120,166</b>     | <b>\$125,109</b>     |

|                           | FY 25-26<br>Forecast | FY 26-27<br>Forecast | FY 27-28<br>Forecast | FY 28-29<br>Forecast | FY 29-30<br>Forecast | FY 30-31<br>Forecast |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Expenditures</b>       |                      |                      |                      |                      |                      |                      |
| Salaries                  | \$61,634             | \$63,505             | \$65,431             | \$67,414             | \$69,456             | \$71,558             |
| Benefits                  | 41,433               | 43,479               | 45,553               | 47,528               | 49,656               | 51,764               |
| Services & Supplies       | 23,762               | 24,642               | 25,275               | 26,207               | 26,867               | 27,868               |
| Debt Services             | 1,289                | 1,374                | 1,440                | 1,447                | 1,442                | 1,441                |
| Capital Outlay            | 270                  | 277                  | 285                  | 293                  | 301                  | 310                  |
| Operating Transfers Out   | 845                  | 845                  | 845                  | 845                  | 845                  | 845                  |
| <b>Total Expenditures</b> | <b>\$129,233</b>     | <b>\$134,122</b>     | <b>\$138,829</b>     | <b>\$143,734</b>     | <b>\$148,567</b>     | <b>\$153,786</b>     |



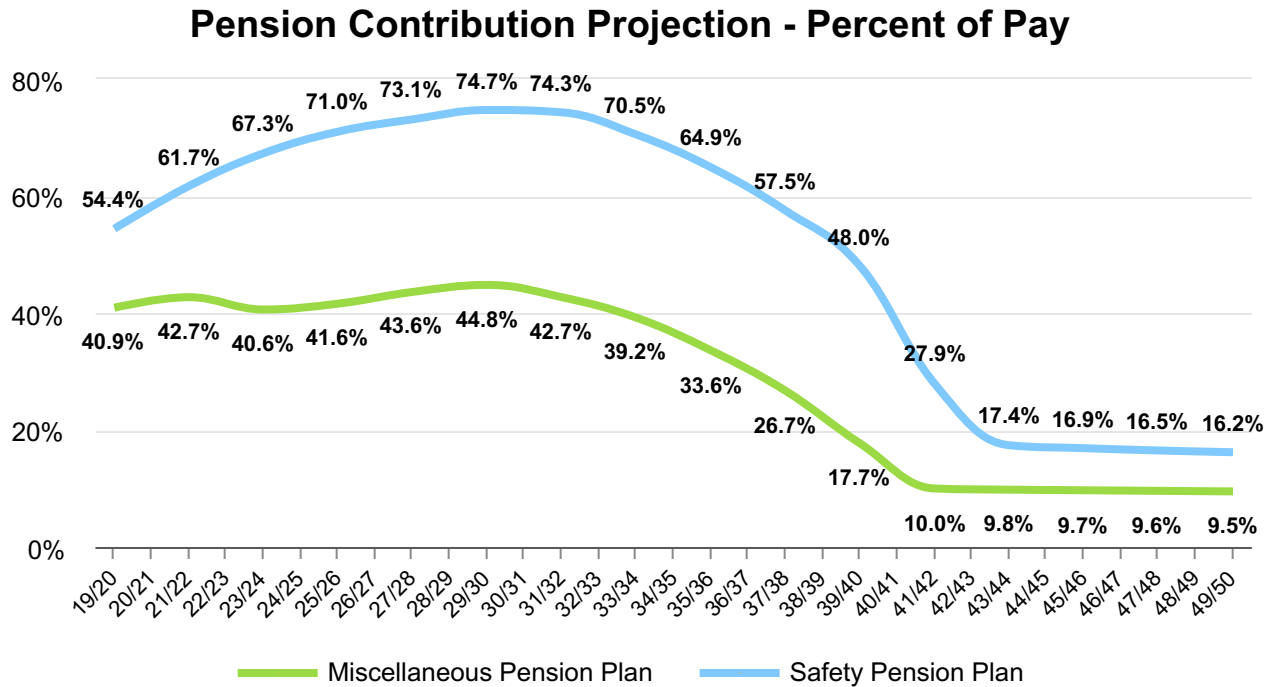
**Salaries and Benefits** is projected to decrease due to four employee groups (IAFF, MPOA, MidCon and Unrep) foregoing 2021 scheduled wage increases (\$2.4 million), the defunding or elimination of 23.75 positions (\$4.6 million) and retiree medical benefits savings (\$2.5 million) offset with increased salary and related benefits for two employee groups (MEA and Protech) of 3 percent effective July 1, 2021 (\$0.4 million) and increased health care costs (\$0.4 million). The FY 2021-22 includes the defunding of eight positions, primarily public safety positions, for one year at a cost of \$1.43 million, which are automatically funded for FY 2022-23. Other underlying costs for benefits still increased. To accurately budget for health insurance, employees' health plan elections were downloaded into the budget system as of February 2021. Thereafter, the health insurance premium is projected to increase 6% annually consistent with historical increases.

The California Public Employees Retirement System (CalPERS) annually provides member agencies with an actuarial valuation of member agencies' pension plans. The City has two pension plans with CalPERS, the Safety Plan for sworn Police and Fire Department employees and the Miscellaneous Plan for non-sworn employees working in all City Departments. For FY 2021-22, the City budget reflects pension contribution costs based on the most recent actuarial valuation available by CalPERS dated July 2020. These valuations are based on data, including payroll data, as of June 30, 2019. Often, due to increased positions and granted salary increases per MOUs with the City's bargaining units, the budgeted payroll data is higher than CalPERS' assumption in its valuations.

A few years ago, CalPERS started to change its pension contribution methodology for agencies. Agencies are being charged a flat fee for the unfunded actuarial liability (UAL), which is not based on a percent of payroll, and the normal cost of the pension benefit, which is based on a percent of payroll. Normal cost is the percentage of payroll that is required to fully fund the annual cost of service for the upcoming fiscal year for active employees only. Unlike normal costs, UAL represents outstanding funding needed for services provided by active or former City employees. The UAL is impacted when current plan benefit, demographic assumptions (retiree longevity), or assumed rate of investment earnings change, or when CalPERS does not meet or exceed its investment earnings target.

Per the staff report on the March 3, 2020 City Council agenda, the annual pension contributions are expected to increase over the next ten to 15 years. The charts below were part of the report titled "CalPERS Actuarial Analysis – 6/30/18 Valuation" prepared by Bartel and Associates, the City's actuary. With a 50% probability, the City's Sworn Plan contribution percentages will peak in just over 12 years at 75.3% of payroll; similarly, the City's Miscellaneous Plan contribution percentages will peak in just over 12 years at 45.2% of payroll. By the end of the Forecast Period, based on information from the City's actuary, staff projects that the City's pension contributions will be \$41.1 million for all funds and \$36.6 million for the General Fund. Currently, the retirement plan has three tiers based on the hire date of the employee. Tier 1 consists of employees hired before October 9, 2011. Tier 2 consists of employees hired on or after October 9, 2011. Lastly, PEPR (Public Employees' Pension Reform Act), applies to employees hired on or after January 1, 2013. Tier 1 and 2 retiree benefits are significantly more costly than the PEPR tier because PEPR has a much lower pensionable compensation cap. Accordingly, as the chart for both pension plan shows, due to the demographic changes of the plans' population over the next 30 years as Tier 1 and 2 member population declines, the pension contributions as a percent of payroll are expected to decline substantially.

**Chart 3: Miscellaneous and Safety Plans Contribution Projections as a Percent of Payroll (Bartel & Associates, March 2020)**



**Services and Supplies** costs are anticipated to be \$21 million in FY 2021-22, a decrease of \$1 million, or 4.7%, compared to FY 2020-21 adopted budget of \$22 million. This net decrease is primarily in the areas of contractual services, supplies, and maintenance across all departments in an effort to reduce ongoing expenditures in response to the budget shortfalls the City was projecting over the next two fiscal years. An average annual increase of 2.8% is projected for the remainder of the Forecast. There are also fluctuations of cost increases every other year due to election costs that are incurred by the City.

**Debt Service** The City issued Lease Revenue Bonds in the principal amount of \$18.4 million authorized by Council on October 20, 2020 to fund the Fire Station #2 Construction Project and Energy Efficiency projects with ENGIE Services. This Forecast assumes annual General Fund debt service to be \$1.01 million starting in FY 2021-22 partially offset with assumed energy cost savings from the energy efficiency projects.

**Capital Outlay** consists of the purchase of equipment with an estimated replacement value greater than \$5,000. Annually, departmental budgets are funded and charged for ongoing equipment replacement charges. These charges are based on the anticipated replacement cost for existing equipment. However, annually the General Fund supplements these costs with an additional amount. For FY 2021-22, no supplemental funding for capital purchases are needed, however, for the remainder of Forecast period, \$248,000 of supplemental funding is anticipated to be budgeted annually based on historical trends.

**Operating Transfers Out** consists of transfers to the Information Technology Equipment Fund (\$300,000) per the current Fiscal Policies. As approved as part of the FY2020-21 Adopted Budget, this budget suspends the annual transfer to the Storm Drain Fund for FY 2021-22 and the transfer will resume in FY 2022-23. Further, the City is undergoing a master plan study of its storm drain system which will assess the long-term funding need for the maintenance and repair of the system.

# Fiscal Policies

## General Financial Goals

1. To maintain a financially viable City that can maintain an adequate level of municipal services.
2. To maintain financial flexibility in order to be able to continually adapt to local, regional, and national economic change.
3. To maintain and enhance long-term the sound fiscal condition of the City.

## Operating Budget Policies

4. The City will adopt a balanced budget by June 30th of each year.
5. An annual base operating budget will be developed by accurately and realistically projecting revenues and expenditures for the current and forthcoming fiscal year.
6. During the annual budget development process, the existing base budget will be thoroughly examined to assure cost effectiveness and need of the services or programs provided.
7. Once the City Council has adopted the budget, the Administration will track revenues and expenditures closely and will bring forward budget adjustment recommendations at Mid-Year, as needed.
8. Annual operating budgets will include the cost of operations of capital projects.
9. The City will avoid balancing the current budget at the expense of future budgets, unless the use of reserves is expressly authorized by the City Council.
10. The City's operating budget will be prepared on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase and capital project expenditures are budgeted on a project length basis.

## Revenue Policies

11. The City will try to maintain a diversified and stable revenue system to avoid over-reliance on any one revenue source.
12. Revenue estimates are to be accurate and realistic, sensitive to local, regional, and national economic conditions.
13. The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis, as appropriate.
14. User fees will be reviewed annually for potential adjustments to recover the full cost of services provided, except when the City Council determines that a subsidy is in the public interest. To maintain cost recovery, annually, staff shall bring forward the Master Fee Schedule as part of the budget process with an escalation to reflect increases in staff cost.
15. The City will actively pursue federal, state, and other grant opportunities when deemed appropriate. Before accepting any grant, the City will thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
16. One-time revenues will be used for one-time expenditures only including capital outlay and reserves.

### Expenditures Policies

17. The City will maintain levels of service, as approved by the City Council, to provide for the public well-being and safety of the residents of the community.
18. Employee benefits and salaries will be maintained at competitive levels.
19. Fixed assets will be maintained and replaced as necessary, minimizing deferred maintenance.
20. The City will develop and use technology and productivity enhancements that are cost effective in reducing or avoiding increased personnel costs.

### Utility Rates and Fees

21. Water and sewer utility customer rates and fees will be reviewed annually as part of the budget process and adjusted as needed to ensure full cost recovery.
22. All utility enterprise funds will be operated in a manner similar to private enterprise. As such, the City will set fees and user charges for each utility fund at a level that fully supports the total direct and indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

### Capital Budget Policies

23. The City will develop an annual Five-Year Capital Improvement Program (CIP) with the goal to develop and maintain infrastructure in support of existing residences and businesses and future anticipated development.
24. The CIP will identify the estimated full cost of each project which includes administration, design, development and implementation, and operating costs once the projects are completed.
25. The CIP will identify potential funding sources for each proposed capital project, prior to submitting proposed projects to the City Council for approval. When appropriate, the CIP will seek other funding sources such as State and Federal funds, private funds and leverage these funding sources with public money to help meet the highest priority community needs.
26. The City Council will provide funding for the first year of the Five-Year CIP as a component of the annual operating budget and appropriate funding at the project level. Funding for future projects identified in the Five-Year CIP may not have been secured and/or legally authorized and is therefore subject to change.
27. Each CIP project will be assigned to a project manager whose responsibilities are to monitor all phases of the project to ensure timely completion of the project and compliance with the project budget and all regulations and laws.

### Debt Policies

28. The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
29. The City will utilize debt financing for projects which have a useful life that can reasonably be expected to exceed the period of debt service for the project.
30. The City will utilize conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.
31. The City may utilize inter-fund loans rather than outside debt to meet short-term cash flow needs.
32. The City will not issue long-term debt to finance operating expenses and routine maintenance expenses.

## Investment Policies

33. The Finance Director/City Treasurer will annually render an investment policy for the City's cash pool for City Council's review no later than the beginning of the Fiscal Year and recommend modifications as appropriate. The review will take place at a public meeting and the policy shall be adopted by resolution of the City Council.
34. City funds and investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.
35. Reports on the City's investment portfolio and cash position shall be developed by the Finance Director/City Treasurer and reviewed by the City Council quarterly.
36. Generally Accepted Accounting Principles require that differences between the costs of the investment portfolio and the fair value of the securities be recognized as income or losses in a government's annual financial report. These variances shall not be considered as budgetary resources or uses of resources unless the securities are sold before maturity or the values of the investments are permanently impaired.
37. The City has set up an Other Post Employment Benefits (OPEB) Trust Fund to prefund its retiree medical benefit to eligible former employees with the California Employers' Retiree Benefit Trust (CERBT). Bi-annually, the City shall engage an actuary to provide the City with an actuarial valuation. Working with the actuary, staff shall review the assumed interest earnings, investment strategy, and other factors to ensure the long-term health of the fund.
38. Per the pension valuation provided by the City's actuary, the City's pension costs will continue to rise during the next ten plus years. The City set aside and invested the CalPERS Rate Stabilization Reserve funds in the City of Milpitas Section 115 Pension Trust Fund in order to invest funds with moderate risk achieving a 3% to 6% investment earnings goal during the next 5 to 10 years to mitigate the rising pension costs. The City may use the trust funds to fund either the annual actuarially determined pension contribution amounts, pay down unfunded pension liabilities with CalPERS, or reduce the length of pension cost amortization schedules with CalPERS.

## Reserve Policies

39. The City will fund the following reserves as follows with any General Fund audited year end operating surplus after the General Fund Contingency Reserve and General Fund Budget Stabilization Reserve requirements are met and pension budgetary surplus are allocated to the PERS Rate Stabilization Reserve.
  - 20% to the PERS Rate Stabilization Reserve (see Policy Statement #43);
  - 20% to the General Government Capital Improvement Fund (see Policy Statement #56);
  - 10% to the Affordable Housing Community Benefit Fund (Fund 216);
  - 10% to Transportation/Transit (Fund 310); and
  - 40% to the Unassigned General Fund Reserve.
40. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
41. The City will maintain a Contingency Reserve of at least 16.67% or two months of the annual operating expenditures in the General Fund to be used only in the case of dire need as a result of physical or financial emergencies and disasters as determined by the City Council. Any use of the General Fund Contingency Reserve shall require a majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget if resources are available to replenish the reserve.
42. The City will maintain a General Fund Budget Stabilization Reserve with a target of 16.67%, or two months, of annual operating expenditures. The purpose of this reserve is to provide budget stability when there are



fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be rebalanced within existing budget resources in any given fiscal year. This reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. This reserve will be funded only after General Fund Contingency Reserve requirements have been met. Any use of the General Fund Budget Stabilization Reserve shall require a majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget if resources are available to replenish the reserve.

43. The City will maintain in the General Fund and the Water and Sewer Utility Enterprise Funds or in a Section 115 Trust a Public Employees Retirement (PERS) Rate Stabilization Reserve. The City's actuary has determined that the General Fund portion of the Unfunded Actuarial Liability for the Miscellaneous Retirement Plan is 84.9% and for the Water and Sewer Utility Enterprise Funds portion of the Unfunded Actuarial Liability for the Miscellaneous Retirement Plan is 8.5% and 6.6%, respectively. The contributions to the PERS Rate Stabilization Reserve from the Utility Funds shall be consistent with the General Fund contributions. Any savings or additional costs resulting from the pension budgeting methodologies shall benefit or be adjusted from the PERS Rate Stabilization Reserve. However, the General Fund portion of any pension savings shall only be allocated to the PERS Rate Stabilization Reserve after the General Fund Contingency Reserve and the General Fund Budget Stabilization Reserve requirements have been met. The Utility Funds' portion of any pension savings shall only be allocated to the PERS Rate Stabilization Reserve after the Capital Reserve and Rate Stabilization Reserve (RSR) requirements in the Water and Sewer utility funds have been met. Additionally, 20% of any General Fund or Enterprise Funds annual operating surpluses shall be allocated to the PERS Rate Stabilization Reserve.
44. Annually, the City will endeavor to transfer \$500,000 from the General Fund to the Storm Drain Fund to replace and repair storm drain infrastructure.
45. The City will maintain a retiree medical benefits account established by an irrevocable trust and fund the annual actuarially determined contribution. Any savings resulting from the budgeting methodologies shall be used to pay off the actuarial unfunded liability.
46. The City will maintain a General Liability and Workers' Compensation Claims Reserve of at least \$2 million in the General Fund, which will be reviewed for adjustments annually. As part of closing out a fiscal year, any Workers' Compensation savings in the General Fund may be allocated to this General Fund reserve and any Workers' Compensation savings in the Utility Funds may be allocated to a Workers' Compensation Claims Reserve established for each utility fund.
47. The City will maintain a Rate Stabilization Reserve (RSR) in the Water and Sewer utility enterprise funds with a goal of at least 16.67% or two months of the respective annual operating expenditures after the Capital Reserve requirements have been met. The RSR shall be used to mitigate the effects of occasional shortfalls in revenue or unanticipated expenditures that cannot be rebalanced within existing budgeted resources in any given fiscal year. Revenue shortfalls may result from a number of events such as weather factors (wet weather or drought events and natural disasters), increased water conservation, and poor regional economic conditions. The Rate Stabilization Reserves should be used to assist in smoothing out revenue variability resulting from these factors and ensure that adequate resources are available during such times that might otherwise require large rate increases to utility customers. The City Council will set the reserve amounts annually after the results of the prior fiscal year's Comprehensive Annual Financial Report are known. The RSR funding will be phased within five years, or sooner, as part of the fiscal year-end closing process. Thereafter, the replenishment of these reserves may also be incorporated into the annual Adopted Operating Budget if resources are available to replenish the reserves.
48. The City will maintain capital reserves in the Water and Sewer utility enterprise funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs, pump station repairs. The City will attempt to maintain a capital reserve of approximately 30% of the annual operating and maintenance expenses for the Water utility fund and 25% of the annual operating and maintenance

expenses for the Sewer utility fund. The City Council will set the reserve amounts annually after the results of the prior fiscal year's Comprehensive Annual Financial Report are known.

49. In addition, the City will maintain Infrastructure Replacement Funds for both water and sewer utilities. The goal is to accumulate at least \$2 million a year from each utility fund to set-aside for replacement of infrastructure as the infrastructure reaches the end of its useful life after Capital Reserve, the Rate Stabilization Reserve, and CalPERS Rate Stabilization Reserve requirements have been met.
50. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
51. The City will maintain a capital reserve in an Equipment Replacement Fund, set up as an internal service fund, to enable the timely replacement of vehicles and depreciable equipment as cost. The City will maintain a minimum fund balance of at least 30% of the replacement costs for equipment accounted for in this fund.
52. Annually, the City will endeavor to transfer \$300,000 from the General Fund to the Technology Replacement Fund set aside in a reserve with a target of \$5 million. This reserve shall be used to accrue funding for technology projects such as the major rehabilitation or replacement of the City's technology infrastructure or new technology initiatives.
53. The City will maintain a capital reserve for Facilities Replacement with a target of \$10 million. This reserve shall be used to accrue funding for major rehabilitation or replacement of City facilities (buildings/ structures). Eligible uses of this reserve may include both the direct funding of public facility improvements and the servicing of related debt. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
54. The City will maintain a capital reserve for Artificial Turf Replacement with a target of \$2 million and an annual set-aside amount of at least \$230,000 until the target is reached. This reserve shall be used to accrue funding for the normal depreciation expense of the City's artificial turf fields over their useful life. Eligible uses of this reserve may include the replacement of the City's artificial turf fields so as to eliminate large spikes in capital expenses and normalize annual costs. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
55. The City may direct any loan repayments from the former Redevelopment Agency and residual property tax distributions from the Redevelopment Property Tax Trust Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
56. The City may direct 20% of any General Fund audited year end operating surplus after General Fund Contingency and General Fund Budget Stabilization reserve requirements have been met to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.

## Accounting, Auditing, and Financial Reporting Policies

57. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
58. An annual audit will be performed by an independent public accounting firm with the subsequent issuance of a Comprehensive Annual Financial Report, within six months of the close of the previous fiscal year.
59. Quarterly financial reports and status reports will be submitted to the City Council within six weeks after the end of each Quarter and be made available to the public. The report will provide an analysis of budgeted versus actual revenues and expenditures, on a year-to-date basis. At the minimum, the report shall include the status of the General Fund and Water and Sewer utility fund revenues and expenditures.

## Budget Guidelines

Through the adoption of the annual operating budget, the City Council approves the funding of City services and estimates of resources available to fund the City's services. Through adoption of this budget, the City Council also approves these budget guidelines providing certain responsibilities and authority to the City Manager to adjust the budget given fluctuations in revenues. These budget guidelines provide sufficient flexibility to make budget adjustments during the year, provided these adjustments do not materially alter the general intent of the City Council approved budget, and establish adequate controls through budget monitoring and periodic reporting.

Annually, the City Council establishes Council Priority Areas regarding service levels to provide guidance to management in preparing the recommended budget. This budget reflects the City Council Priority Areas. Through its legislative authority, the Council approves and adopts the budget by resolution.

The City Manager is responsible for proposing to the City Council a balanced budget which is consistent with the Council's service level priorities and sound business practices. A Balanced Budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures. The City Manager is also responsible for establishing a system for the preparation, execution, and control of the budget which provides reasonable assurances that the intent of Council priorities is met.

The Finance Director is responsible for developing the operating budget on behalf of the City Manager, synchronizing the operating budget with the annual capital plan, developing a ten-year General Fund Financial Forecast, establishing budget and fiscal policy, providing periodic budget status reports to the City Manager and the City Council, and developing internal monthly budget management reports for the Department Heads to facilitate control and compliance with the budget.

The Department Heads are responsible for assisting in the development of annual budgets and monitoring their respective budgets for compliance with the intent of Council priorities to ensure that appropriations of the aggregate total of the department are not exceeded.

## Summary of Budget Guidelines

### 1. Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all proprietary funds, revenues and expenditures are budgeted on an accrual basis.

### 2. Budget Calendar

The Finance Director publishes a budget preparation calendar to the Department Heads and to the City Council at the beginning of the budget process each year. The calendar sets forth, at a minimum, dates for the following:

- Review of service level priorities by the City Council at an annual Planning Session.
- Review and update of the Master Fee Schedule.
- Community Engagement and Outreach.
- Engagement and Outreach for City employees.
- Capital Improvement Projects Budget.
- Presentation of the City Manager's Proposed Budget to the City Council, which shall be no later than the second week in May.

### 3. Form and Content of the City Manager's Proposed Budget

The Ten-Year General Fund Financial Forecast and the City Manager's Proposed Budget shall be presented in a form which facilitates the City Council to determine and review, as applicable:

- Alignment of the proposed service level changes to City Council priorities as established at the annual Planning Session.
- Projected revenues by major category; based on an updated Master Fee Schedule.
- Operating expenditures by major category.
- Historical and proposed authorized staffing levels.
- Department and Office Proposed budgets as follows:
  - Service level descriptions.
  - Summary of accomplishments and initiatives.
  - Performance and workload measures.
  - Expenditure comparison with the preceding year's budget and two years of actual results.
  - Authorized staffing comparison with the preceding three years.
  - Budget reconciliation from the prior fiscal year to the Proposed Budget.
  - Recommendations for service level changes with a detailed description, performance outcome, and impact statement if the recommendation is not funded.
- Capital improvement appropriations by project.
- A schedule showing General Fund Revenue and Expenditure projection for the next nine years.

### 4. Adoption of the Budget

The City Council will adopt the budget by resolution no later than June 30th of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget. Unless otherwise directed, all funds that are presented in the operating budget document are subject to Council approval of appropriations.

### 5. Budget Authority of the City Manager

The City Manager shall have the authority to make revisions involving transfers from the appropriated Unanticipated Expenditure Reserve account less than or equal to the aggregate amount of amount adopted within the budget in any one fiscal year (\$1,100,000 in FY 2021-22, or 1% of total General Fund appropriations), provided that the Council is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions as part of the quarterly financial reports.

Additionally, the City Manager shall have the authority to:

- Amend and/or transfer appropriations among departments and projects within any one fund, provided that the amount of the amended appropriation is \$100,000 or less;
- Accept grants or donations up to \$100,000 or less, increase department revenues and appropriations accordingly and execute related agreements as long as no matching funds are required, and/or departments do not require additional funding for ongoing maintenance costs or future replacement costs.
- Reasonably deviate from the budgeted personnel allocation schedule provided that at no time the number of permanent funded positions or personnel cost appropriations authorized by the City Council is exceeded;
- Hire full-time employees in overstrength positions for no more than one year as long as appropriations are not exceeded to ensure adequate staffing levels for sworn positions, to facilitate training of new employees in critical positions by the outgoing incumbents, or to respond to urgent staffing needs; and

- Add/delete positions or to move positions between departments to respond to organizational needs, as long as the number of permanent funded positions and the approved personnel cost appropriations remain the same.

Prior approval of the City Council is required for changes that:

- Increase the overall appropriation level within any one Fund.
- Transfer or reallocate appropriations between different Funds.
- Cause an increase or decrease in funded authorized position counts in the Adopted Budget.
- Cause the aggregate amount of contract change orders to exceed 15 percent of the contract amount and/or exceed prior approved appropriation levels for the subject contract.
- Cause transfers from unanticipated expenditure reserve to exceed the aggregate amount of \$1,100,000 during the fiscal year.
- Result in changes not consistent with the purpose and intent of the Budget as adopted.
- Require an appropriation action from any unassigned fund balances or reserves.

### 6. Budget Amendments by the City Council

At City Council meetings, the City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through unassigned fund balances or reserves.

### 7. Budget Transfers and Modification Procedures

Procedures to implement budget transfers or budget modifications are detailed in Standard Operating Procedure No. 21-1, subject to any changes by the Budget Resolution.

### 8. Automatic Adjustments and Reappropriations

Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets.

Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budgets. Unspent City funded grant appropriations from prior fiscal year will automatically be carried over to the current year's budgets.

Incomplete multiple year project (capital improvement project) balances will automatically be appropriated.

Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of the fiscal year may be reappropriated for continued use in the subsequent fiscal year. Furthermore, any outstanding contract and/or purchase order obligations (or encumbrances) remaining at the end of FY 2020-21 are subject to carry over into FY 2021-22.

### 9. Budget Monitoring and Reporting

Monthly Financial Reports - The Director of Finance will prepare and make available a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.

Quarterly Financial Status Reports - The Director of Finance will periodically prepare financial status reports for presentation to the City Council. At the minimum, the report shall include the status of the General Fund revenues and expenditures; Water and Sewer utility fund revenues and expenditures; and document any use of the appropriated Unanticipated Expenditure Reserve; and report the acceptance of any grants and donations as authorized in these budget guidelines.

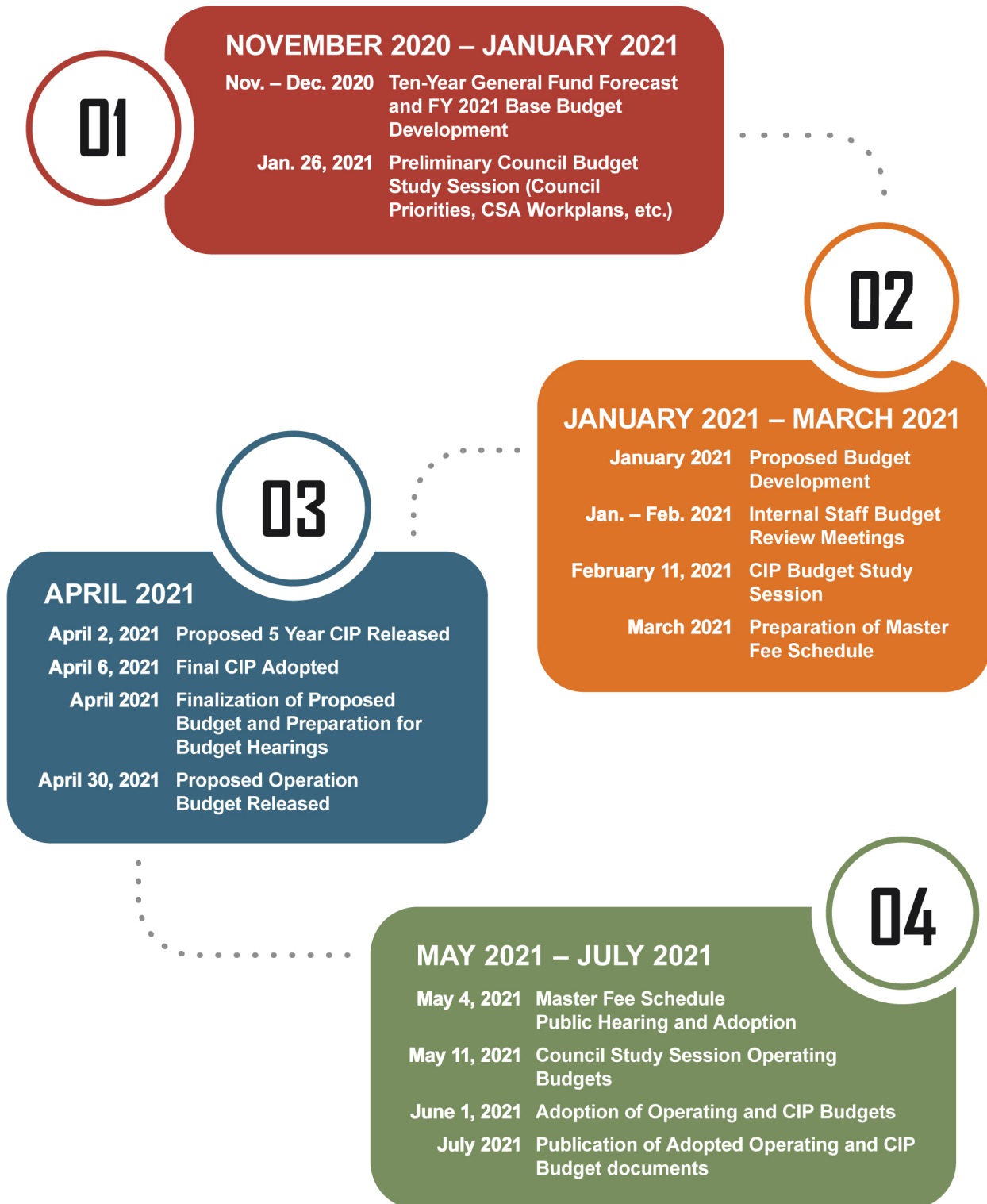
Annually, as part of the 4th Quarter Financial Status Report, the Director of Finance shall report on all active grants and grants closed out during the fiscal year including the purpose of the grant, the granting agency, the grant amount awarded, remaining grant funds, and grant activities completed or underway.



## 10. Reserves

Various unallocated reserves are desired in each of the City's funds to protect the City in emergencies, economic uncertainties, and to finance unforeseen opportunities and/or requirements. Key reserve policies for various funds are described in detail in the document entitled "City of Milpitas Fiscal Policies".

## City of Milpitas FY 2021-2022 Budget Process



# Budget Development and Document

## Annual Budget Development

Every year the City Council adopts a Budget and Financial Plan for the next fiscal year, (the City's fiscal year runs from July 1 of one year through June 30 of the next year). Through the adoption of the annual budget, the City Council approves the funding of City services and estimates of resources available to fund the City's services. The budget is also developed based on the following:

- The City Council's Priority Area and other City Council directives.
- The City's ten-year General Fund Financial Forecast, which is updated annually and presented to the City Council prior to the release of the proposed budget.
- Input from the Community through surveys and community meetings.
- Service level prioritization as identified by the City Manager.
- Availability and sustainability of revenues.
- Legal mandates.
- Prioritization criteria outlined in the capital budget.

In the fall of each year, staff develops the base budget for the upcoming fiscal year and the ten-year General Fund Financial Forecast based on available information. The base budget reflects the Council approved service level with updated costs. As part of developing the base budget for the upcoming fiscal year, staff projects the revenues and expenditures for the next 10 fiscal years to develop the Forecast. The ten-year General Fund Financial Forecast projects whether the City will experience budget shortfalls or surpluses in the next fiscal year and thereafter.

The annual public budget development process begins in January with a review of City Council Priority Areas and the presentation of the ten-year General Fund Financial Forecast. Through surveys and community meetings, staff engages the community for input into budget priorities. In May, based on the input from City Council and the community, the City Manager publishes the proposed budget for the upcoming year. During May and June, the City Council holds study sessions and public hearings prior to adopting the annual budget. The City Council adopts the Proposed Budget as it may be amended based on discussion or direction during the budget hearings. In summer, the City publishes its Adopted Budget. For the Fiscal Year 2021-22 budget development process, please review the timeline and steps shown on the previous page.

## Understanding the Budget Document

The operating budget document includes city-wide information as well as information specific to each fund and each department. The City receives revenue from numerous different sources, many of which have restrictions on how they can be used. Separate funds are established to account for the different types of revenues and allowable uses of those revenues. The annual budget information is available after the publication of the annual Adopted Budget, which occurs in July or August. At this time, staff also publishes a Budget-in-Brief document and the annual budget will also be available on Open Budget, which is described below. In the Appendix, the City lists all fund names by fund type.

**General Fund:** This is the primary fund used to account for all general revenues of the City (e.g. property, sales, transient occupancy and utility user taxes). In general, these funds are allocated at the discretion of the City Council. This revenue is used to support citywide services such as public safety, community services, planning and community environment, and administrative support services. Some activities in the General Fund, such as building inspection and recreation functions, are also intended to be substantially self-supporting through fees for services charged to individuals. In areas where specific benefit for a service can be identified to specific individuals, the City has a policy of charging a fee to offset the cost of providing the service.

**Enterprise Funds:** These funds are established to function as self-supporting operations wherein expenditures are entirely offset by fees or charges for services. These funds are used to account for specific services which are funded directly by fees and charges to users. In Milpitas, Enterprise Funds include the Water Fund and the Sewer

Fund. The intent is that these two funds be completely self-supporting and not be subsidized by any general revenue or taxes. The utility bills sent to each household and business in the community charge for the cost of providing water and sewer customer services.

**Internal Service Fund:** This type of fund is established to account for a variety of business services provided by one City department (or division) to other City departments. The City's main internal service fund, the Equipment Management Fund, provides vehicle and fleet maintenance services that are provided to all City departments through an internal service fund. Departments are charged for these services based on their respective utilization.

**Capital Projects Funds:** Revenues and expenses for capital projects are accounted for in separate funds. A capital improvement is usually a large construction project such as the resurfacing of City streets, the development of park land, the construction of an overpass, the installation of a traffic signal, or the acquisition of land and construction or remodeling of a public building. The City's Capital Improvement Funds include Street Improvement Fund, the Park Fund, General Government Fund, and Storm Drain Fund Construction Fund.

**Special Revenue Funds:** These funds are used to account for the proceeds of revenues that are designated for specific or restricted uses. These funds include gas tax funds from the State, federal revenue for Justice Assistance Grants, and Lightning and Maintenance District funds.

### Budgets and Budgetary Accounting

The City's budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis.

The legal level of budgetary control or authorized appropriations is exercised at the departmental level for those funds which have annually adopted budgets such as the General Fund, Enterprise Funds, Special Revenue Funds and Capital Improvement Funds. Finance is responsible that appropriations are not exceeded during the fiscal year.

Appropriations automatically lapse at the end of the fiscal year unless an encumbrance exists, with the exception of balances remaining in the capital project accounts and grant accounts at the end of the fiscal year. These balances are carried forward to the following fiscal year until the project is completed.

### Prop 4 - Appropriations Limit

The City establishes an appropriations limit by resolution consistent with the State Constitution, each year during the budget process, which commences after the beginning of each fiscal year. The appropriation base is adjusted each year by changes in population, cost of living and transfers of financial responsibility. As shown in the Financial Information section of the Adopted Budget document, the City has not exceeded its annual Appropriations Limit for the last ten years and in any single fiscal year since this requirement was approved by the voters in 1979.

### Budget Amendments

The operating budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions consistent with the Council approved Budget Guidelines. Per the Guidelines, the City Manager is authorized to amend and/or transfer appropriations among departments and projects within any one fund, provided that the amount of the amended appropriation is \$100,000 or less as well as other authorizations related to positions. Otherwise, any other budget amendment which changes the total appropriation for a department or fund requires Council approval.

Examples of these amendments include but are not limited to:

- The acceptance of additional grant money which might become available;
- The number of positions approved in the Budget;
- The appropriation of additional funding if expenditures are projected to exceed budgeted amounts; or
- The re-appropriation of monies from one fund to another.

## Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement that is applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Fund revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Those revenues susceptible to accrual are property and sales taxes and interest revenue. Transient Occupancy Tax, forfeitures, licenses, permits, and miscellaneous revenue are not susceptible to accrual because they are not measurable until received in cash. Revenues not considered earned but received are accounted for as revenue collected in advance.

Expenditures are also generally recognized under the modified accrual basis of accounting. An exception to this rule is principal and interest on general long-term debt, which is not recognized until it is due. Financial resources usually are appropriated in funds responsible for repaying debt in the period in which maturing debt principal and interest must be paid.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Revenues for services provided but not billed at the end of the fiscal year are not material and are not accrued.

## Cost Accounting

The City uses cost accounting to determine the proper allocation to recover costs for services provided. For each City service or program, in addition to direct staff support and appropriations for supplies and services, it also receives support from the administrative staff and benefits from centralized services such as equipment maintenance. These indirect costs (also known as administrative and overhead costs) need to be allocated to each major service or program in order to determine the full cost of providing City services. Similarly, the centralized service costs also need to be allocated to various operating funds. Centralized service costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds share the administrative and overhead costs equitably.

## Department Information

The Budget Narrative and Summary section of the budget document summarizes the service delivery and budgetary information for each department as follows: Mission Statement, Description, and Services highlight the purpose and functions for each department.

**Organizational Chart:** this functional organizational chart depicts full-time equivalent (FTE) positions, which report to a department director and identifies any position changes such as additions, deletions, or reclassifications; position moves from one department to another; and temporary positions.

**Accomplishments:** identifies the department's noteworthy accomplishments over the past 12 to 18 months and their alignment to Council Priority Areas.

**Initiatives:** highlights the major work plan items for the department for the upcoming Fiscal Year and their alignment to Council Priority Areas.

**Performance and Workload Measures:** lists key department performance measures and identifies key quantifiable department outputs.

**Budget Summary:** summarizes key expenditure data for the department for several fiscal years (FY 2019 Actuals, FY 2020 Actuals, FY 2021 Adopted, and FY 2022 Proposed) by function, if applicable, and expenditure categories.



**Staffing:** lists all full-time equivalent (FTE) positions for the department for several fiscal years (FY 2018 Actuals, FY 2019 Actuals, FY 2020 Adopted, and FY 2021 Adopted) by function, if applicable, and by classifications. Positions were defunded as part of the FY 2020-21 Mid-Year and FY 2021-22 Proposed Budget process and they are noted in the staffing tables and footnotes.

**Budget Reconciliation:** outlines the major base budget and service level changes from the previously adopted budget to the newly presented proposed or adopted budget. Base budget reconciliation changes include deletion of one-time expenditures, updated salary and benefits cost in accordance with the salary and benefits structure approved the City Council, or addition of ongoing expenditures as approved by the City Council. The service level change table itemizes service level changes and related expenditures.

**Service Level Changes:** describes service level changes compared to the prior fiscal year in alignment with the dominant Council Priority Area identified with one of the icons below; the anticipated performance impact as it relates to Quality, Cost, Cycle Time, Customer Satisfaction, and Sustainability with the icons identified below; and the impact, if the service level change is not funded.

Council Priority Areas Icons:



**Community Wellness and Open Space**

Continue to provide parks and amenities for people of all ages and abilities to enjoy higher levels of physical and mental health.



**Economic Development and Job Growth**

Continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.



**Environment**

Promote a sustainable community and protect the natural environment.



**Governance and Administration**

Continue to streamline processes for enhanced service and remain committed to long-term fiscal discipline and financial stewardship.



**Neighborhoods and Housing**

Continue to explore innovative approaches to incentivize affordable housing projects, collaborate with key stakeholders to care for our most vulnerable populations, and support and engage neighborhoods through dedicated programs and services.



**Public Safety**

Continue to invest in police and fire protection, in partnership with our community.



**Transportation and Transit**

Continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.

Performance Impact Icons:



**Cost**



**Cycle Time**



**Customer Satisfaction**



**Quality**



**Sustainability**

## Open Budget

In order to facilitate understanding and transparency of the budget document, the City presents budget information through OpenGov, an online tool that provides users with different views of the City's budget data by fund, department, revenues, and expenditures. The tool can be accessed by visiting [www.milpitasca.opengov.com](http://www.milpitasca.opengov.com). The City invites you to use the online tool to:

- Search the current year's budget and financial data.
- View trends in revenues and expenditures over time.
- Drill down into expenses by department or account type.
- Display the data as graphs or charts.
- Download into Excel.
- Share with friends using email or social media.
- Send comments directly to the City online.

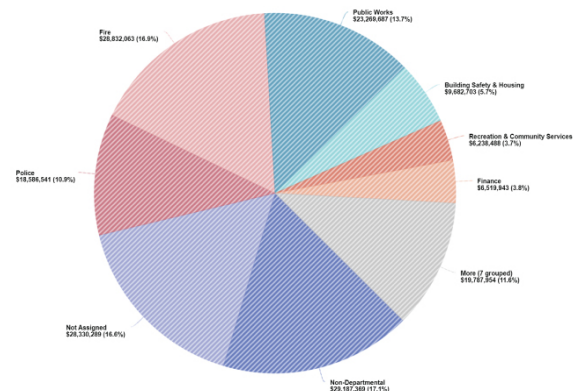
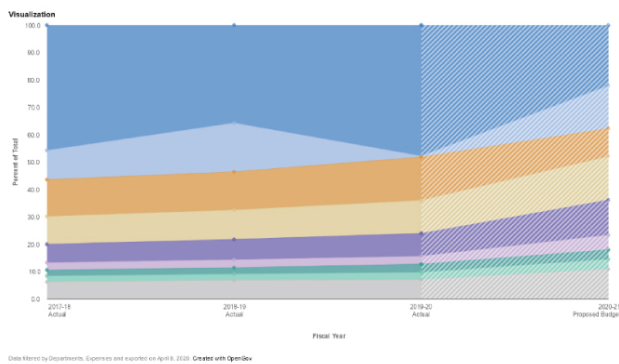
### How Does it Work?

Governmental budgets are composed of funds, departments, and accounts. Using a pull-down filter, you can choose the combination you want to explore.

By clicking on one these icons, you can choose whether you want to display graphs showing changes over the years, a pie chart for a single year, or download portions into Excel.



You can also cut and paste any illustration into another document, send it to friends using email or Twitter, or post it on Facebook!



Note: On the OpenGov portal, numbers may appear slightly different due to rounding.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Milpitas  
California**

For the Fiscal Year Beginning

**July 1, 2020**

*Christopher P. Morill*

Executive Director

*California Society of  
Municipal Finance Officers*

*Certificate of Award*

***Operating Budget Excellence Award  
Fiscal Year 2020-2021***

*Presented to the*

***City of Milpitas***

For meeting the criteria established to achieve the CSMFO Excellence Award in Budgeting

***January 31, 2021***



*Marcus Pimentel*

**Marcus Pimentel  
CSMFO President**

*Michael Manno*

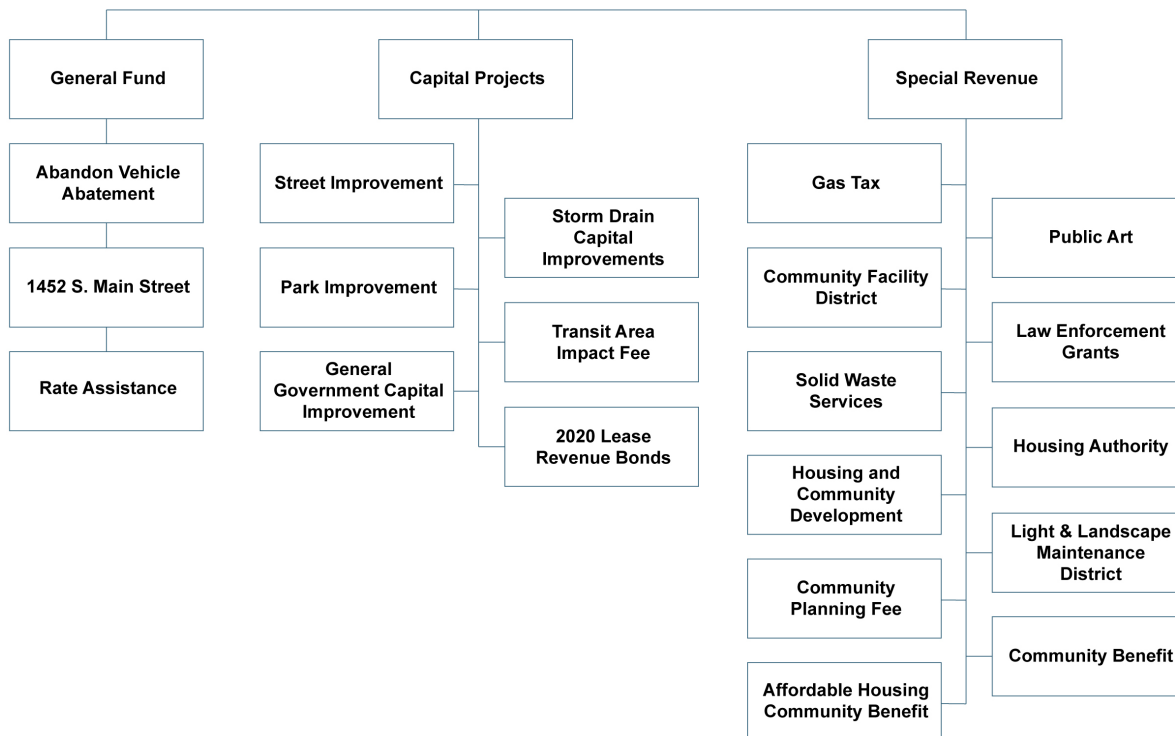
**Michael Manno, Chair  
Recognition Committee**

***Dedicated Excellence in Municipal Financial Reporting***

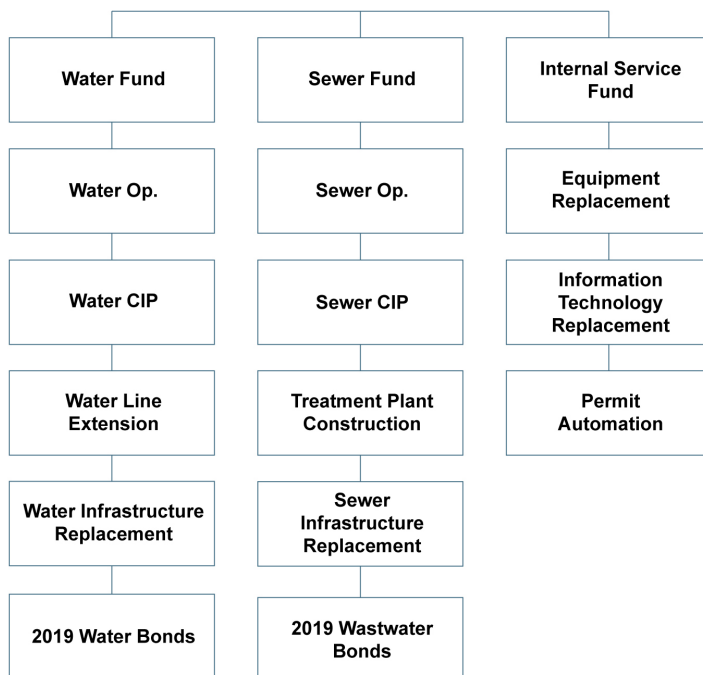




## Fund Structure



## Accrual Basis of Budgeting



### Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis for all proprietary funds, revenues and expenditures are budgeted on an accrual basis.

**Accrual Basis** is a basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

**Modified Accrual Basis** is a basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred.

## Budget Summary

### Estimated Revenues

|                                | Grand Total        | General Fund <sup>(1)</sup> |
|--------------------------------|--------------------|-----------------------------|
| Property Taxes.....            | \$41,269,917       | \$41,269,917                |
| Sales Taxes.....               | 31,941,250         | 31,941,250                  |
| Transient Occupancy Tax.....   | 7,713,639          | 7,713,639                   |
| Licenses, Permits & Fines..... | 10,276,817         | 10,276,817                  |
| Charges For Services.....      | 64,690,746         | 4,225,969                   |
| Franchise Fees.....            | 5,961,133          | 5,751,133                   |
| Use of Money & Property.....   | 4,000,000          | 500,000                     |
| Other Taxes.....               | 4,454,636          | 1,023,421                   |
| Intergovernmental Revenue..... | 2,738,000          | 1,154,571                   |
| Other Revenue.....             | 19,853,213         | 320,000                     |
| Operating Transfers In.....    | 28,760,659         | 6,552,931                   |
| <b>sub-total</b>               | <b>221,660,010</b> | <b>110,729,648</b>          |

### Other Financing Sources

|  |                      |                      |
|--|----------------------|----------------------|
| (Increase) Decrease in Fund Balance..... | (7,141,980)          | 0                    |
| (Increase) Decrease in CIP Reserve.....  | (3,401,065)          | 0                    |
| Other Financing Sources.....             | 0                    | 0                    |
| <b>sub-total</b>                         | <b>(10,543,045)</b>  | <b>0</b>             |
| <b>TOTAL</b>                             | <b>\$211,116,965</b> | <b>\$110,729,648</b> |

### Budgeted Appropriations

|                                 |                      |                      |
|---------------------------------|----------------------|----------------------|
| Personnel Services.....         | \$99,422,103         | \$88,358,713         |
| Non-Personnel Expenditures..... | 55,130,532           | 21,015,842           |
| Capital Outlay.....             | 1,040,947            | 0                    |
| Operating Transfers Out.....    | 28,760,659           | 342,293              |
| <b>sub-total</b>                | <b>184,354,241</b>   | <b>109,716,848</b>   |
| Capital Improvements.....       | 22,270,000           | 0                    |
| Debt Service.....               | 4,492,725            | 1,012,800            |
| <b>sub-total</b>                | <b>26,762,725</b>    | <b>1,012,800</b>     |
| <b>TOTAL</b>                    | <b>\$211,116,966</b> | <b>\$110,729,648</b> |

### Fund Balance

|                                  |                      |                     |
|----------------------------------|----------------------|---------------------|
| Fund Balance 7/01/2021.....      | 360,003,675          | 77,470,000          |
| Net Changes in Fund Balance..... | 10,543,045           | 0                   |
| <b>TOTAL</b>                     | <b>\$370,546,720</b> | <b>\$77,470,000</b> |

|                                       |                      |                     |
|---------------------------------------|----------------------|---------------------|
| Restricted.....                       | \$14,858,896         | \$0                 |
| Restricted for CIP.....               | 137,132,409          | 0                   |
| Committed for CIP.....                | 87,595,669           | 0                   |
| Committed, Artificial Turf.....       | 1,210,000            | 1,210,000           |
| Committed, Technology.....            | 2,000,000            | 2,000,000           |
| Committed, Facilities.....            | 7,000,000            | 7,000,000           |
| Committed for PERS.....               | 33,900,000           | 33,900,000          |
| Unassigned, Unrestricted.....         | 53,489,744           | 0                   |
| Committed, Workers' Compensation..... | 2,000,000            | 2,000,000           |
| Future Deficit Reserve.....           | 1,450,000            | 1,450,000           |
| Contingency Reserve, Unassigned.....  | 17,300,000           | 17,300,000          |
| Budget Stabilization, Unassigned..... | 12,610,000           | 12,610,000          |
| <b>TOTAL</b>                          | <b>\$370,546,718</b> | <b>\$77,470,000</b> |

(1) Grand Total budget of 211,116,965 is gross budget, which does not include adjustment for interfund operating transfers.

(2) General Fund Fund, Abandon Vehicle Abatement Fund, 1452 S. Main St Fund and administration funds of the former Redevelopment Agency.

(3) Other Funds include Community Benefit Fund, Community Facility District Funds, Community Planning Fee Fund, Gas Tax Fund, Equipment Replacement Fund, Housing and Community Development Fund, Information Technology Replacement Fund, Law Enforcement Grant Funds, Light & Landscape Maintenance District Funds, Measure B Fund, Permit Automation Fund, Public Art Fund, and Solid Waste Services Fund. The decrease in Fund Balance is mostly attributed to changes in Solid Waste Services and Housing Authority Fund.

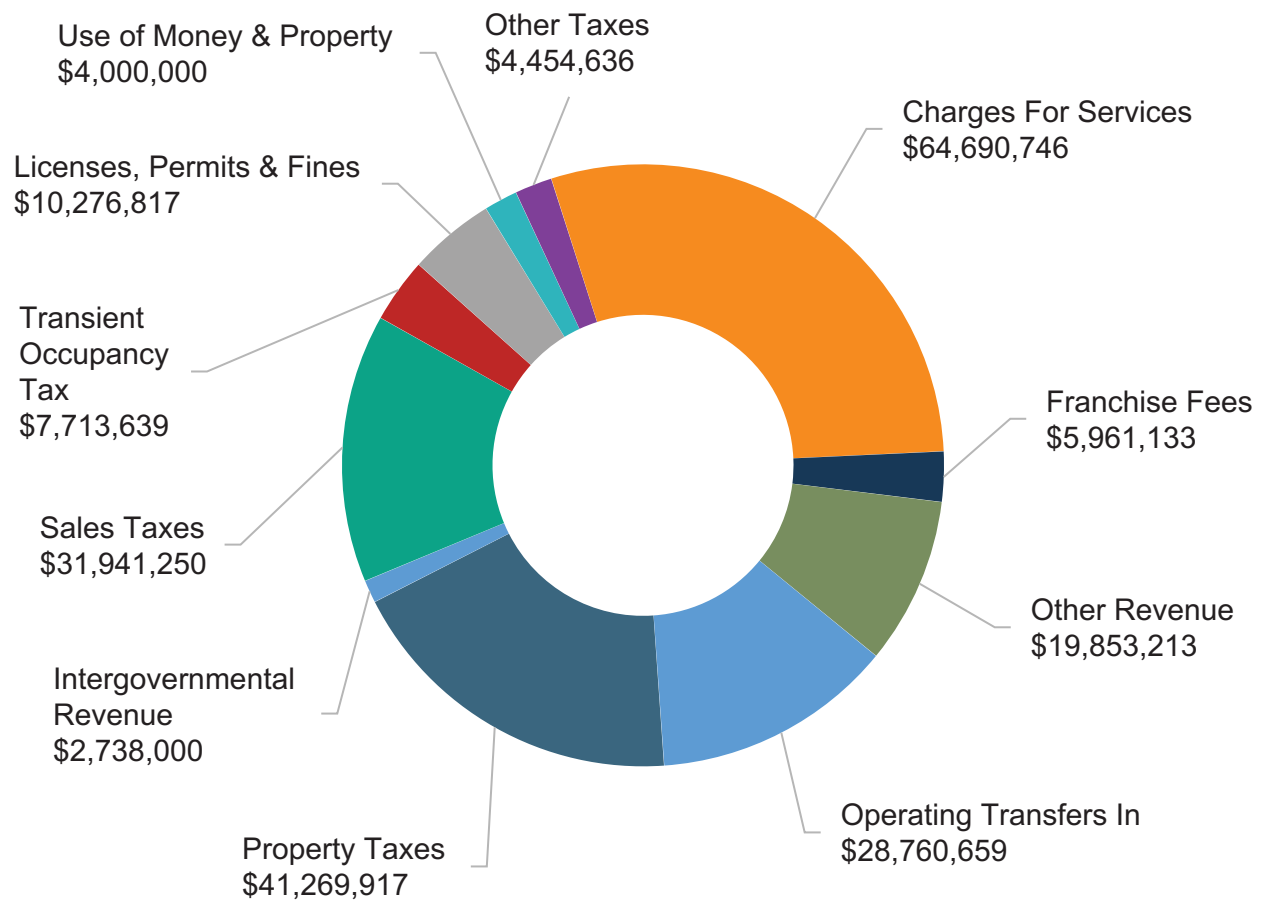
| Housing Authority | Other Funds <sup>(2)</sup> | Capital Projects <sup>(3)</sup> | Water Fund <sup>(4)</sup> | Sewer Fund <sup>(5)</sup> |
|-------------------|----------------------------|---------------------------------|---------------------------|---------------------------|
| \$0               | \$0                        | \$0                             | \$0                       | \$0                       |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| 149,000           | 4,530,000                  | 0                               | 35,128,222                | 20,657,555                |
| 0                 | 210,000                    | 0                               | 0                         | 0                         |
| 122,000           | 430,900                    | 1,737,200                       | 564,000                   | 645,900                   |
| 0                 | 3,431,215                  | 0                               | 0                         | 0                         |
| 0                 | 650,000                    | 933,429                         | 0                         | 0                         |
| 0                 | 4,954,396                  | 13,805,000                      | 321,817                   | 452,000                   |
| 0                 | 342,293                    | 13,295,435                      | 2,090,000                 | 6,480,000                 |
| <b>271,000</b>    | <b>14,548,804</b>          | <b>29,771,064</b>               | <b>38,104,039</b>         | <b>28,235,455</b>         |
| 681,973           | 1,228,473                  | 0                               | (3,226,924)               | (5,825,502)               |
| 0                 | (36,500)                   | (7,953,331)                     | (1,260,819)               | 5,849,585                 |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| 681,973           | 1,191,973                  | (7,953,331)                     | (4,487,743)               | 24,083                    |
| <b>\$952,973</b>  | <b>\$15,740,777</b>        | <b>\$21,817,733</b>             | <b>\$33,616,296</b>       | <b>\$28,259,538</b>       |
| \$224,164         | \$4,243,963                | \$0                             | \$3,896,275               | \$2,698,988               |
| 728,809           | 3,106,664                  | 15,429                          | 21,798,564                | 8,465,224                 |
| 0                 | 1,000,947                  | 0                               | 40,000                    | 0                         |
| 0                 | 7,389,204                  | 8,102,304                       | 4,747,407                 | 8,179,451                 |
| <b>952,973</b>    | <b>15,740,778</b>          | <b>8,117,733</b>                | <b>30,482,246</b>         | <b>19,343,663</b>         |
| 0                 | 0                          | 13,700,000                      | 2,090,000                 | 6,480,000                 |
| 0                 | 0                          | 0                               | 1,044,050                 | 2,435,875                 |
| 0                 | 0                          | 13,700,000                      | 3,134,050                 | 8,915,875                 |
| <b>\$952,973</b>  | <b>\$15,740,778</b>        | <b>\$21,817,733</b>             | <b>\$33,616,296</b>       | <b>\$28,259,538</b>       |
| 1,568,684         | 29,218,289                 | 133,921,991                     | 59,867,269                | 57,957,442                |
| (681,973)         | (1,191,973)                | 7,953,331                       | 4,487,743                 | (24,083)                  |
| <b>\$886,711</b>  | <b>\$28,026,316</b>        | <b>\$141,875,322</b>            | <b>\$64,355,012</b>       | <b>\$57,933,359</b>       |
| \$886,711         | \$13,972,185               | \$0                             | \$0                       | \$0                       |
| 0                 | 0                          | 85,717,429                      | 25,606,234                | 25,808,746                |
| 0                 | 0                          | 56,157,893                      | 20,613,887                | 10,823,889                |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| 0                 | 14,054,129                 | 0                               | 18,134,891                | 21,300,724                |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| 0                 | 0                          | 0                               | 0                         | 0                         |
| <b>\$886,711</b>  | <b>\$28,026,314</b>        | <b>\$141,875,322</b>            | <b>\$64,355,012</b>       | <b>\$57,933,359</b>       |

(4) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund and Transit Area Impact Fee Fund.

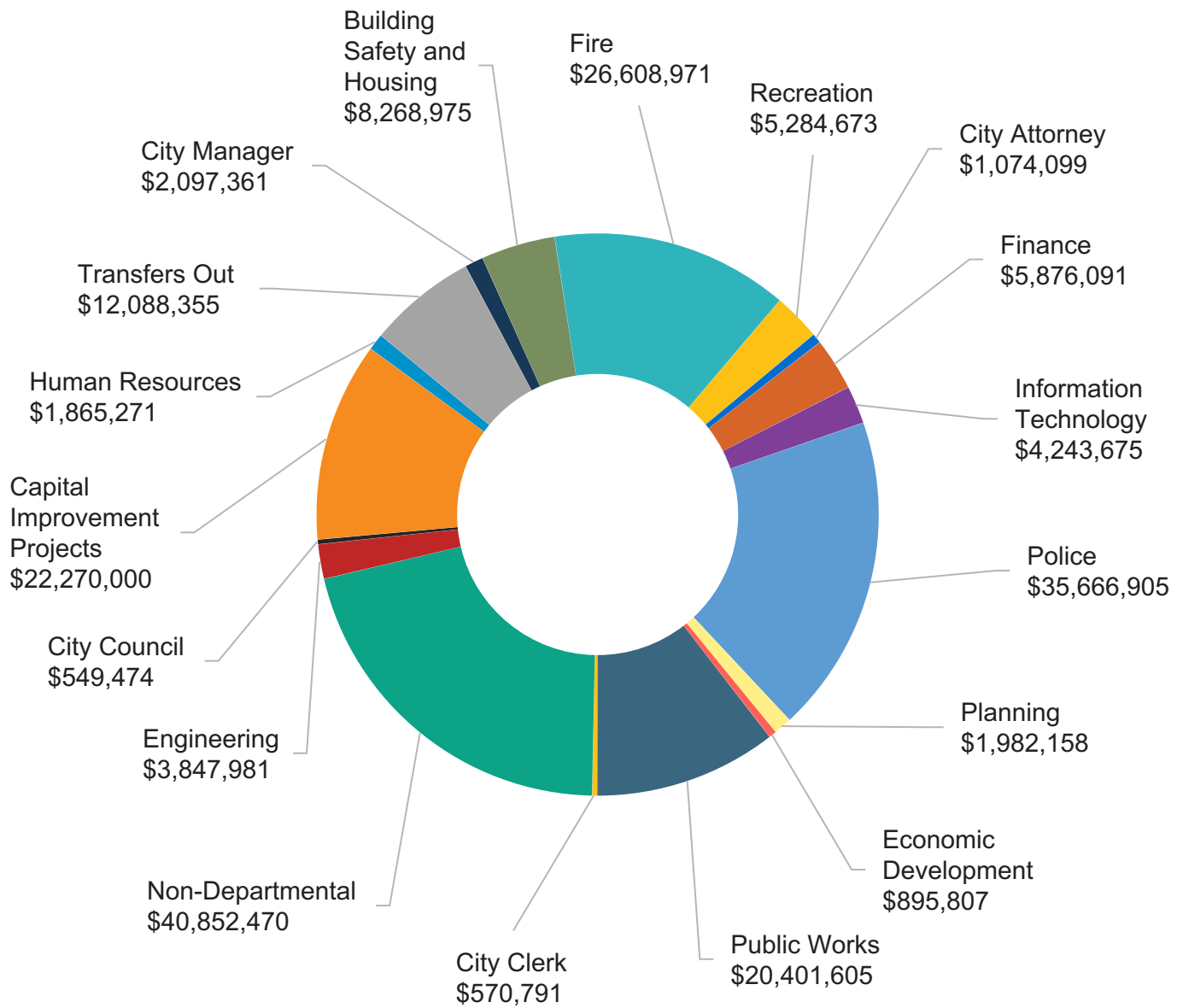
(5) Water Fund includes Water Maintenance & Operations Fund, 2019 Water Bonds Fund, Water CIP Fund, Water Line Extension Fund, and Water Infrastructure Replacement Fund.

(6) Sewer Fund includes Sewer Maintenance & Operations Fund, 2019 Wastewater Bonds Fund, Sewer Fund CIP, Treatment Plant Construction Fund and Sewer Infrastructure replacement Fund.

**FY 2021-22 Revenues  
(All Funds)  
\$194.4 Million**



## FY 2021-22 Expenditures (All Funds) \$194.4 Million



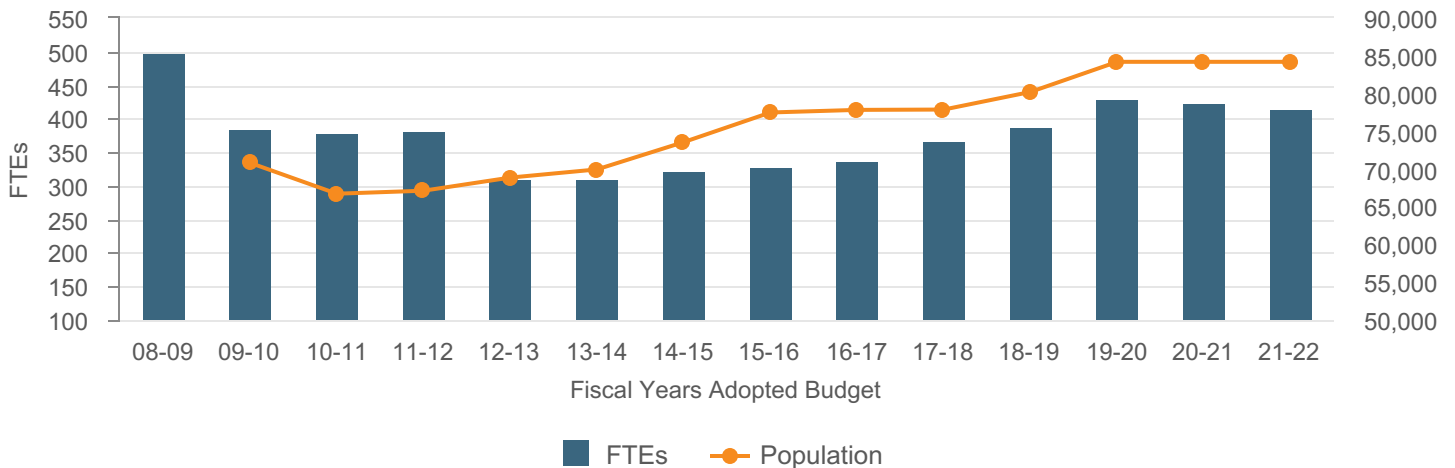


## Funded Permanent Positions by Department

|                                   | Adopted Budget 18-19 | Change from the prior FY | Adopted Budget 19-20 | Change from the prior FY | Adopted Budget 20-21 | Change from the prior FY | Proposed Budget 21-22 | Change from the prior FY |
|-----------------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|-----------------------|--------------------------|
| City Council                      | 5.00                 | 0.00                     | 5.00                 | 0.00                     | 5.00                 | 0.00                     | 5.00                  | 0.00                     |
| City Manager                      | 6.00                 | 3.00                     | 6.00                 | 0.00                     | 6.00                 | 0.00                     | 5.50                  | (0.50)                   |
| City Clerk                        | 3.00                 | 0.00                     | 3.00                 | 0.00                     | 3.00                 | 0.00                     | 2.50                  | (0.50)                   |
| Economic Development              | 3.00                 | 0.00                     | 3.00                 | 0.00                     | 3.00                 | 0.00                     | 3.00                  | 0.00                     |
| City Attorney                     | 1.00                 | 0.00                     | 1.00                 | 0.00                     | 1.00                 | 0.00                     | 0.00                  | (1.00)                   |
| Building Safety and Housing       | 24.00                | 0.00                     | 33.00                | 9.00                     | 33.00                | 0.00                     | 31.00                 | (2.00)                   |
| Engineering                       | 23.00                | 5.00                     | 25.00                | 2.00                     | 24.00                | (1.00)                   | 23.00                 | (1.00)                   |
| Finance                           | 27.50                | 3.00                     | 29.50                | 2.00                     | 29.50                | 0.00                     | 28.50                 | (1.00)                   |
| Fire                              | 69.00                | 1.00                     | 77.00                | 8.00                     | 83.00                | 6.00                     | 77.00                 | (6.00)                   |
| Human Resources                   | 5.00                 | 0.00                     | 7.00                 | 2.00                     | 7.00                 | 0.00                     | 6.00                  | (1.00)                   |
| Information Technology            | 11.00                | 1.00                     | 12.00                | 1.00                     | 13.00                | 1.00                     | 12.00                 | (1.00)                   |
| Planning                          | 9.00                 | 0.00                     | 10.00                | 1.00                     | 10.00                | 0.00                     | 9.00                  | (1.00)                   |
| Police                            | 117.00               | 3.00                     | 126.00               | 9.00                     | 126.00               | 0.00                     | 124.00                | (2.00)                   |
| Public Works                      | 68.00                | 3.00                     | 73.00                | 5.00                     | 75.00                | 2.00                     | 74.00                 | (1.00)                   |
| Recreation and Community Services | 18.00                | 2.25                     | 20.75                | 2.75                     | 20.75                | 0.00                     | 15.00                 | (5.75)                   |
| <b>TOTAL</b>                      | <b>389.50</b>        | <b>21.25</b>             | <b>431.25</b>        | <b>41.75</b>             | <b>439.25</b>        | <b>8.00</b>              | <b>415.50</b>         | <b>(23.75)</b>           |

## Funded Permanent Positions

415.50 FTEs - All Funds



\*FY 2019 population data is used as placeholder due to absent population data for FY 2021 and FY 2022

\*\*Great Recession occurred in FY 2009-10 and Redevelopment Agency Dissolution (RDA) occurred in FY 2012-13.

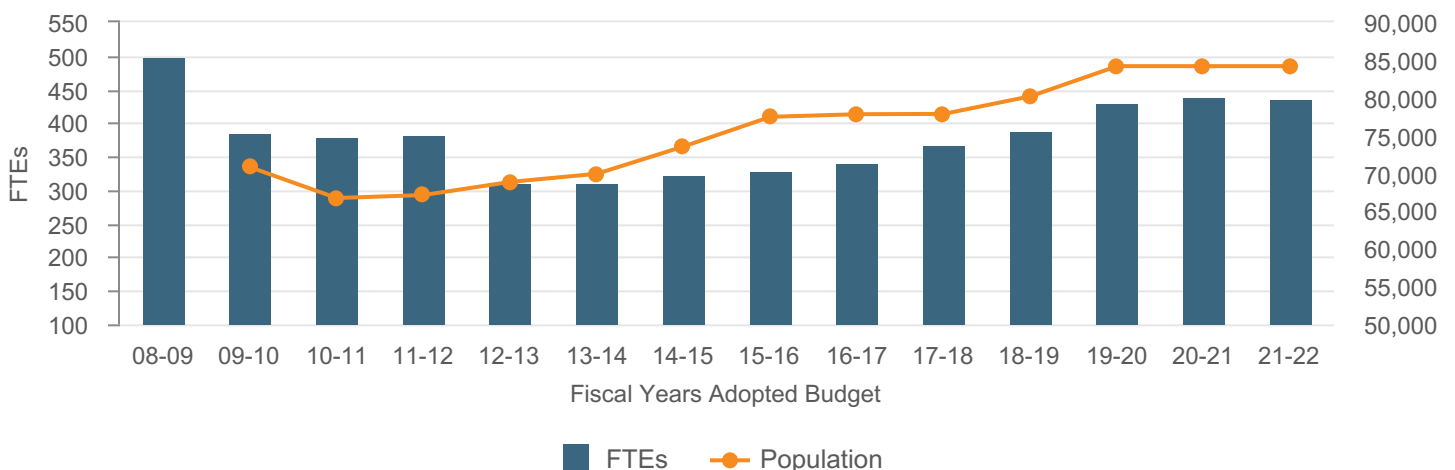
## All Permanent Positions by Department\*

|                                   | Adopted Budget 18-19 | Change from the prior FY | Adopted Budget 19-20 | Change from the prior FY | Adopted Budget 20-21 | Change from the prior FY | Proposed Budget 21-22 | Change from the prior FY |
|-----------------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|-----------------------|--------------------------|
| City Council                      | 5.00                 | 0.00                     | 5.00                 | 0.00                     | 5.00                 | 0.00                     | 5.00                  | 0.00                     |
| City Manager                      | 6.00                 | 3.00                     | 6.00                 | 0.00                     | 6.00                 | 0.00                     | 6.00                  | 0.00                     |
| City Clerk                        | 3.00                 | 0.00                     | 3.00                 | 0.00                     | 3.00                 | 0.00                     | 3.00                  | 0.00                     |
| Economic Development              | 3.00                 | 0.00                     | 3.00                 | 0.00                     | 3.00                 | 0.00                     | 3.00                  | 0.00                     |
| City Attorney                     | 1.00                 | 0.00                     | 1.00                 | 0.00                     | 1.00                 | 0.00                     | 0.00                  | (1.00)                   |
| Building Safety and Housing       | 24.00                | 0.00                     | 33.00                | 9.00                     | 33.00                | 0.00                     | 33.00                 | 0.00                     |
| Engineering                       | 23.00                | 5.00                     | 25.00                | 2.00                     | 24.00                | (1.00)                   | 24.00                 | 0.00                     |
| Finance                           | 27.50                | 3.00                     | 29.50                | 2.00                     | 29.50                | 0.00                     | 29.50                 | 0.00                     |
| Fire                              | 69.00                | 1.00                     | 77.00                | 8.00                     | 83.00                | 6.00                     | 82.00                 | (1.00)                   |
| Human Resources                   | 5.00                 | 0.00                     | 7.00                 | 2.00                     | 7.00                 | 0.00                     | 7.00                  | 0.00                     |
| Information Technology            | 11.00                | 1.00                     | 12.00                | 1.00                     | 13.00                | 1.00                     | 13.00                 | 0.00                     |
| Planning                          | 9.00                 | 0.00                     | 10.00                | 1.00                     | 10.00                | 0.00                     | 9.00                  | (1.00)                   |
| Police                            | 117.00               | 3.00                     | 126.00               | 9.00                     | 126.00               | 0.00                     | 126.00                | 0.00                     |
| Public Works                      | 68.00                | 3.00                     | 73.00                | 5.00                     | 75.00                | 2.00                     | 76.00                 | 1.00                     |
| Recreation and Community Services | 18.00                | 2.25                     | 20.75                | 2.75                     | 20.75                | 0.00                     | 20.75                 | 0.00                     |
| <b>TOTAL</b>                      | <b>389.50</b>        | <b>21.25</b>             | <b>431.25</b>        | <b>41.75</b>             | <b>439.25</b>        | <b>8.00</b>              | <b>437.25</b>         | <b>(2.00)</b>            |

\*This table includes 21.75 defunded positions.

## All Permanent Positions

437.25 FTEs - All Funds



\*FY 2019 population data is used as placeholder due to absent population data for FY 2021 and FY 2022

\*\*Great Recession occurred in FY 2009-10 and Redevelopment Agency Dissolution (RDA) occurred in FY 2012-13.



## Revenues by Fund

| Description                                      | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed |
|--|-------------------|-------------------|--------------------|---------------------|
| <b>100</b> General Fund.....                     | \$112,751,530     | \$105,057,100     | \$112,142,729      | \$110,589,648       |
| <b>103</b> 1452-1474 S. Main.....                | 178,278           | 155,536           | 142,000            | 70,000              |
| <b>105</b> Abandon Veh Abatement.....            | 105,792           | 79,152            | 100,000            | 70,000              |
| <b>106</b> Short Term Disability.....            | 10,903            | 45                | 0                  | 0                   |
| <b>109</b> Utility Rate Assistance.....          | 190,896           | 266,930           | 190,000            | 0                   |
| <b>150</b> Redevelopment Administration.....     | 49,425            | 29,037            | 0                  | 0                   |
| <b>211</b> Hetch Hetchy Ground Lease.....        | 23,223            | 32,063            | 5,000              | 24,000              |
| <b>213</b> Public Art Fund-Nonrestricted.....    | 484,945           | 507,423           | 16,000             | 18,500              |
| <b>214</b> Community Planning Fee Fund.....      | 479,783           | 353,211           | 319,000            | 389,500             |
| <b>215</b> Community Benefit Fund.....           | 7,343             | 5,209             | 0                  | 4,000               |
| <b>216</b> Affordable Housing Fund.....          | 1,850,770         | 1,865,619         | 2,000,000          | 850,500             |
| <b>217</b> Affordable Housing Unrestricted.....  | 0                 | 2,165,406         | 0                  | 32,500              |
| <b>221</b> Gas Tax Fund.....                     | 2,078,757         | 3,620,270         | 1,976,753          | 1,970,804           |
| <b>225</b> SB1 Road Maintenance & Rehab.....     | 1,372,889         | 0                 | 1,439,673          | 1,489,911           |
| <b>235</b> 95-1 Lighting/Lscape Dist.....        | 340,030           | 357,727           | 382,000            | 439,700             |
| <b>236</b> 98-1 Lighting/Lscape Dist.....        | 41,765            | 43,802            | 46,000             | 69,210              |
| <b>237</b> 05 Community Fclty Dist.....          | 1,175,272         | 1,232,078         | 1,251,000          | 1,253,200           |
| <b>238</b> 08 Community Fclty Dist.....          | 977,844           | 1,918,900         | 2,570,000          | 2,463,179           |
| <b>250</b> HCD Fund.....                         | 657,731           | 397,259           | 600,000            | 650,000             |
| <b>251</b> HCD Loan.....                         | 0                 | 89,915            | 2,000              | 4,400               |
| <b>261</b> Supplemental Law Enforcement.....     | 100,485           | 210,896           | 3,000              | 3,000               |
| <b>262</b> State Asset Seizure.....              | 1,149             | 5,991             | 0                  | 1,000               |
| <b>263</b> Federal Asset Seizure.....            | 1,193             | 1,241             | 0                  | 1,000               |
| <b>267</b> Federal Grants Police Department..... | 74,835            | 34,082            | 0                  | 0                   |
| <b>268</b> State Grants Police Department.....   | 11,220            | 40,246            | 0                  | 12,200              |
| <b>269</b> Grants Fire Department.....           | 64,271            | (42)              | 0                  | 200                 |
| <b>280</b> Solid Waste Services.....             | 392,103           | 242,768           | 243,000            | 237,000             |
| <b>295</b> Housing Authority.....                | 293,905           | 737,206           | 292,000            | 271,000             |
| <b>310</b> Street Fund.....                      | 1,243,135         | 215,305           | 73,000             | 70,100              |
| <b>311</b> Street CIP.....                       | 5,743,713         | 10,267,043        | 4,872,087          | 4,450,000           |
| <b>312</b> Traffic Impact Fee.....               | 4,309             | 7,831             | 36,000             | 0                   |
| <b>314</b> Vehicle Registration Fee.....         | 526,441           | 515,617           | 0                  | 271,132             |
| <b>315</b> Calaveras Widening Impact Fee.....    | 574,279           | 294,255           | 0                  | 238,500             |
| <b>316</b> Montague Widening Impact Fee.....     | 6,797             | 0                 | 0                  | 0                   |

## Financial Information

| Description                                 | 2018-19<br>Actual     | 2019-20<br>Actual     | 2020-21<br>Adopted    | 2021-22<br>Proposed   |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| 317 Milpitas Business Park Impact Fee.....  | 4,824                 | 373,460               | 0                     | 0                     |
| 320 Park Improvement Fund.....              | 539,945               | 1,549,758             | 1,033,000             | 167,500               |
| 321 Park Improvement CIP.....               | 14,547,042            | 2,950,000             | 0                     | 135,000               |
| 322 Midtown Park Fund.....                  | 1,497,903             | 627,033               | 1,429,000             | 272,500               |
| 330 General Government.....                 | 12,250,569            | 11,240,289            | 8,291,387             | 396,000               |
| 331 General Government CIP.....             | 8,915,245             | 13,090,296            | 19,032,500            | 5,979,432             |
| 334 2020 Fire Station Bonds.....            | 0                     | 0                     | 13,000,000            | 0                     |
| 340 Storm Drain Development.....            | 1,380,870             | 821,221               | 810,000               | 390,900               |
| 341 Storm Drain CIP.....                    | 610,000               | 1,755,000             | 1,170,000             | 0                     |
| 350 Transit Area Impact Fee Fund.....       | 40,468,399            | 27,318,903            | 6,216,000             | 14,000,000            |
| 351 Transit Area Impact Fee CIP Fund.....   | 13,777,907            | 11,619,251            | 2,966,000             | 3,400,000             |
| 400 Water M & O Fund.....                   | 25,998,588            | 29,683,288            | 32,065,091            | 31,533,170            |
| 401 Water CIP.....                          | 5,578,800             | 5,126,172             | 11,605,000            | 2,090,000             |
| 402 Water Line Extension Fund.....          | 970,547               | 339,255               | 1,592,000             | 346,216               |
| 403 2019 Water Bonds.....                   | 0                     | 372,984               | 0                     | 0                     |
| 405 Water Infrastructure Replacement.....   | 5,094,340             | 7,888,030             | 4,392,462             | 4,134,653             |
| 450 Sewer M & O Fund.....                   | 19,672,908            | 20,173,838            | 20,967,985            | 20,908,555            |
| 451 Sewer CIP.....                          | 4,400,000             | 22,682,019            | 9,045,195             | 6,480,000             |
| 452 Treatment Plant Construction.....       | 1,566,575             | 443,970               | 2,657,000             | 536,400               |
| 453 2017 Sewer Refunding Bonds.....         | 62                    | 58                    | 0                     | 0                     |
| 454 2019 Sewer Bonds.....                   | 0                     | 202,844               | 0                     | 0                     |
| 455 Sewer Infrastructure Replacement.....   | 14,674,607            | 6,363,877             | 516,000               | 310,500               |
| 500 Equipment Replacement Fund.....         | 5,805,804             | 3,718,482             | 3,480,502             | 3,555,000             |
| 505 Information Technology Replacement..... | 306,175               | 312,032               | 310,000               | 310,500               |
| 506 Permit Automation Fund.....             | 1,404,429             | 851,501               | 45,000                | 769,500               |
| <b>TOTAL</b>                                | <b>\$ 311,280,550</b> | <b>\$ 300,252,682</b> | <b>\$ 269,325,364</b> | <b>\$ 221,660,010</b> |
| Less Interfund Operating Transfers*         |                       |                       | (51,138,582)          | (16,672,304)          |
| (Increase) Decrease of Reserves             |                       |                       | 2,130,728             | (10,543,045)          |
| <b>TOTAL BUDGET SUMMARY REVENUES</b>        |                       |                       | <b>\$ 220,317,510</b> | <b>\$ 194,444,661</b> |

\*Interfund Operating Transfers are transfers within the same fund group on the Budget Summary



| Revenues by Fund (Detail)           |   | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed |
|-------------------------------------|---|-------------------|-------------------|--------------------|---------------------|
| <b>GENERAL FUND (100)</b>           |   |                   |                   |                    |                     |
| <b>PROPERTY TAXES</b>               |   |                   |                   |                    |                     |
| 3010                                | Secured & Unsecured.....                  | \$18,686,841      | \$19,745,532      | \$20,085,705       | \$21,312,839        |
| 3013                                | VLF.....                                  | 7,257,936         | 7,912,802         | 7,941,031          | 9,007,880           |
| 3014                                | ERAF.....                                 | 1,591,080         | 2,295,848         | 1,940,550          | 2,467,078           |
| 3051                                | RPTTF.....                                | 6,388,736         | 7,844,901         | 6,904,955          | 8,482,120           |
|                                     | <b>sub-total</b>                          | <b>33,924,593</b> | <b>37,799,083</b> | <b>36,872,241</b>  | <b>41,269,917</b>   |
| <b>SALES TAXES</b>                  |   |                   |                   |                    |                     |
| 3110                                | Sales and Use Tax.....                    | 27,983,151        | 24,173,315        | 27,411,366         | 24,655,000          |
| 3111                                | Public Safety Sales and Use Tax.....      | 906,633           | 885,010           | 960,585            | 978,000             |
| 3113                                | Measure F Sales Tax.....                  | 0                 | 0                 | 0                  | 6,308,250           |
|                                     | <b>sub-total</b>                          | <b>28,889,784</b> | <b>25,058,325</b> | <b>28,371,951</b>  | <b>31,941,250</b>   |
| <b>OTHER TAXES</b>                  |   |                   |                   |                    |                     |
| 3120                                | Real Estate Transfer Tax.....             | 790,633           | 720,932           | 796,190            | 686,526             |
| 3140                                | Business License Tax.....                 | 337,898           | 328,115           | 365,650            | 306,699             |
| 3511                                | Motor Vehicle In-Lieu.....                | 35,936            | 60,333            | 35,020             | 30,196              |
|                                     | <b>sub-total</b>                          | <b>1,164,467</b>  | <b>1,109,380</b>  | <b>1,196,860</b>   | <b>1,023,421</b>    |
| <b>FRANCHISE FEES</b>               |   |                   |                   |                    |                     |
| 3131                                | Electric Franchise.....                   | 1,324,972         | 1,325,038         | 1,506,890          | 1,571,470           |
| 3132                                | Gas Franchise.....                        | 253,032           | 282,339           | 265,650            | 277,035             |
| 3133                                | Garbage Franchise-Commercial.....         | 3,007,640         | 3,069,769         | 3,105,707          | 3,238,808           |
| 3138                                | CATV Franchise.....                       | 541,667           | 496,045           | 636,540            | 663,820             |
|                                     | <b>sub-total</b>                          | <b>5,127,311</b>  | <b>5,173,191</b>  | <b>5,514,787</b>   | <b>5,751,133</b>    |
| <b>TRANSIENT OCCUPANCY TAX</b>      |   |                   |                   |                    |                     |
| 3150                                | Transient Occupancy Tax.....              | 14,502,737        | 11,376,522        | 13,452,683         | 7,713,639           |
|                                     | <b>sub-total</b>                          | <b>14,502,737</b> | <b>11,376,522</b> | <b>13,452,683</b>  | <b>7,713,639</b>    |
| <b>LICENSES, PERMITS, AND FINES</b> |   |                   |                   |                    |                     |
| 3210                                | Building Permit & Inspection Fees.....    | 7,474,160         | 4,585,232         | 4,258,800          | 4,329,292           |
| 3217                                | Building Plan Review Fees.....            | 1,977,444         | 1,958,461         | 2,905,000          | 3,021,296           |
| 3220                                | Fire Permit & Inspection Fees.....        | 1,255,413         | 1,361,750         | 1,575,938          | 1,647,182           |
| 3240                                | Fire Annual Permit & Inspection Fees..... | 580,238           | 751,662           | 734,657            | 764,067             |
| 3260                                | Other Licenses & Permits.....             | 44,765            | 43,482            | 43,125             | 142,935             |
| 3300                                | Fines & Forfeits.....                     | 425,097           | 338,753           | 389,600            | 372,045             |
|                                     | <b>sub-total</b>                          | <b>11,757,117</b> | <b>9,039,340</b>  | <b>9,907,120</b>   | <b>10,276,817</b>   |
| <b>USE OF MONEY AND PROPERTY</b>    |   |                   |                   |                    |                     |
| 3430                                | Investment Interest.....                  | 2,028,720         | 2,047,377         | 1,364,000          | 500,000             |
| 3770                                | Sale of Property, Plant, & Equipment..... | 3,567             | 2,764             | 0                  | 0                   |
|                                     | <b>sub-total</b>                          | <b>2,032,287</b>  | <b>2,050,141</b>  | <b>1,364,000</b>   | <b>500,000</b>      |

## Revenues by Fund (Detail)

|   | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed |
|---|--------------------|--------------------|--------------------|---------------------|
| <b>INTERGOVERNMENTAL</b>                      |                    |                    |                    |                     |
| 3550 Federal Contributions.....               | 206,567            | 985,984            | 452,047            | 834,571             |
| 3560 State Contributions.....                 | 678,727            | 172,576            | 0                  | 0                   |
| 3570 County Contributions.....                | 369,915            | 226,726            | 200,000            | 230,000             |
| 3580 Other Restricted Grants.....             | 114,067            | 57,605             | 56,550             | 20,000              |
| <b>sub-total</b>                              | <b>1,369,276</b>   | <b>1,442,891</b>   | <b>708,597</b>     | <b>1,084,571</b>    |
| <b>CHARGES FOR CURRENT SERVICES</b>           |                    |                    |                    |                     |
| 3600 General Government Service Charges.....  | 644,759            | 660,803            | 640,000            | 311,538             |
| 3610 Engineering Service Charges.....         | 2,163,628          | 1,881,074          | 1,814,000          | 1,148,994           |
| 3630 Fire Service Charges.....                | 343,387            | 301,174            | 460,000            | 183,258             |
| 3640 Police Service Charges.....              | 718,414            | 756,983            | 730,000            | 290,822             |
| 3650 Recreation Service Charges.....          | 2,654,675          | 1,144,804          | 3,043,000          | 1,894,481           |
| 3660 Building Service Charges.....            | 90,671             | 11,488             | 46,000             | 18,326              |
| 3680 Planning Service Charges.....            | 236,610            | 467,355            | 939,500            | 308,550             |
| <b>sub-total</b>                              | <b>6,852,144</b>   | <b>5,223,681</b>   | <b>7,672,500</b>   | <b>4,155,969</b>    |
| <b>OTHER REVENUE</b>                          |                    |                    |                    |                     |
| 3710 Development.....                         | 10,194             | 50,412             | 48,000             | 120,000             |
| 3740 Reimbursements.....                      | 10,442             | 0                  | 0                  | 0                   |
| 3750 Donations.....                           | 0                  | 0                  | 0                  | 0                   |
| 3790 Miscellaneous Other Revenue.....         | 114,496            | 231,313            | 20,000             | 200,000             |
| <b>sub-total</b>                              | <b>135,132</b>     | <b>281,725</b>     | <b>68,000</b>      | <b>320,000</b>      |
| <b>OPERATING TRANSFERS IN</b>                 |                    |                    |                    |                     |
| 3806 Op Trfs in from Solid Waste Service..... | 99,748             | 99,456             | 109,778            | 138,558             |
| 3809 Op Trfs in from Street Improv Fund.....  | 146,776            | 26,564             | 0                  | 0                   |
| 3812 Op Trfs in from Water Fund.....          | 2,705,884          | 2,725,061          | 2,748,779          | 2,571,407           |
| 3815 Op Trfs in from Sewer Fund.....          | 1,544,274          | 1,568,485          | 1,585,433          | 1,482,966           |
| 3819 Op Trfs in from Other.....               | 900,000            | 1,600,000          | 2,570,000          | 2,360,000           |
| 3822 Op Trfs in from General Gov't Fund.....  | 0                  | 0                  | 0                  | 0                   |
| 3826 Op Trfs in from Measure I TOT Fund.....  | 0                  | 0                  | 0                  | 0                   |
| 3852 Appn Tfr in from General Gov't Fund..... | 1,600,000          | 0                  | 0                  | 0                   |
| <b>sub-total</b>                              | <b>6,996,682</b>   | <b>6,019,566</b>   | <b>7,013,990</b>   | <b>6,552,931</b>    |
| <b>TOTAL (100)</b>                            | <b>112,751,530</b> | <b>104,573,845</b> | <b>112,142,729</b> | <b>110,589,648</b>  |
| <b>1452-1474 S. MAIN (103)</b>                |                    |                    |                    |                     |
| 3430 Investment Interest.....                 | 18,754             | 21,440             | 0                  | 0                   |
| 3600 General Government Service Charges.....  | 159,524            | 134,096            | 142,000            | 70,000              |
| <b>TOTAL (103)</b>                            | <b>178,278</b>     | <b>155,536</b>     | <b>142,000</b>     | <b>70,000</b>       |

| Revenues by Fund (Detail)                  |  | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed |
|--|--|-------------------|-------------------|--------------------|---------------------|
| <b>ABANDON VEH ABATEMENT (105)</b>         |  |                   |                   |                    |                     |
| 3570                                       | County Contributions.....                | 96,031            | 79,078            | 100,000            | 70,000              |
| 3899                                       | Op Trfs in from Subsidiary CIP Fund..... | 9,761             | 0                 | 0                  | 0                   |
|  | <b>TOTAL (105)</b>                       | <b>105,792</b>    | <b>79,078</b>     | <b>100,000</b>     | <b>70,000</b>       |
| <b>SHORT TERM DISABILITY (106)</b>         |  |                   |                   |                    |                     |
| 3899                                       | Op Trfs in from Subsidiary CIP Fund..... | 10,903            | 0                 | 0                  | 0                   |
|  | <b>TOTAL (106)</b>                       | <b>10,903</b>     | <b>0</b>          | <b>0</b>           | <b>0</b>            |
| <b>UTILITY RATE ASSISTANCE (109)</b>       |  |                   |                   |                    |                     |
| 3430                                       | Investment Interest.....                 | 2,756             | 8,517             | 0                  | 0                   |
| 3790                                       | Miscellaneous Other Revenue.....         | 188,140           | 158,413           | 190,000            | 0                   |
| 3899                                       | Op Trfs in from Subsidiary CIP Fund..... | 0                 | 100,000           | 0                  | 0                   |
|  | <b>TOTAL (109)</b>                       | <b>190,896</b>    | <b>266,930</b>    | <b>190,000</b>     | <b>0</b>            |
| <b>REDEVELOPMENT ADMINISTRATION (150)</b>  |  |                   |                   |                    |                     |
| 3899                                       | Op Trfs in from Subsidiary CIP Fund..... | 49,425            | 29,037            | 0                  | 0                   |
|  | <b>TOTAL (150)</b>                       | <b>49,425</b>     | <b>29,037</b>     | <b>0</b>           | <b>0</b>            |
| <b>HETCH HETCHY GROUND LEASE (211)</b>     |  |                   |                   |                    |                     |
| 3430                                       | Investment Interest.....                 | 23,223            | 30,002            | 5,000              | 24,000              |
|  | <b>TOTAL (211)</b>                       | <b>23,223</b>     | <b>30,002</b>     | <b>5,000</b>       | <b>24,000</b>       |
| <b>PUBLIC ART FUND-NONRESTRICTED (213)</b> |  |                   |                   |                    |                     |
| 3430                                       | Investment Interest.....                 | 11,560            | 22,767            | 16,000             | 18,500              |
| 3710                                       | Development.....                         | 473,385           | 475,411           | 0                  | 0                   |
|  | <b>TOTAL (213)</b>                       | <b>484,945</b>    | <b>498,178</b>    | <b>16,000</b>      | <b>18,500</b>       |
| <b>COMMUNITY PLANNING FEE FUND (214)</b>   |  |                   |                   |                    |                     |
| 3430                                       | Investment Interest.....                 | 21,206            | 16,291            | 19,000             | 9,500               |
| 3680                                       | Planning Service Charges.....            | 458,577           | 336,920           | 300,000            | 380,000             |
|  | <b>TOTAL (214)</b>                       | <b>479,783</b>    | <b>353,211</b>    | <b>319,000</b>     | <b>389,500</b>      |
| <b>COMMUNITY BENEFIT FUND (215)</b>        |  |                   |                   |                    |                     |
| 3430                                       | Investment Interest.....                 | 7,343             | 5,209             | 0                  | 4,000               |
| 3710                                       | Development.....                         | 0                 | 0                 | 0                  | 0                   |
|  | <b>TOTAL (215)</b>                       | <b>7,343</b>      | <b>5,209</b>      | <b>0</b>           | <b>4,000</b>        |
| <b>AFFORDABLE HOUSING FUND (216)</b>       |  |                   |                   |                    |                     |
| 3430                                       | Investment Interest.....                 | 6,398             | 63,987            | 0                  | 50,500              |
| 3710                                       | Development.....                         | 600,908           | 1,801,632         | 2,000,000          | 800,000             |
| 3819                                       | Op Trfs in from Other.....               | 250,000           | 0                 | 0                  | 0                   |
| 3831                                       | Appn Transfers in from General Fund..... | 993,464           | 0                 | 0                  | 0                   |
|  | <b>TOTAL (216)</b>                       | <b>1,850,770</b>  | <b>1,865,619</b>  | <b>2,000,000</b>   | <b>850,500</b>      |

**Revenues by Fund (Detail)**

|  | <b>2018-19<br/>Actual</b> | <b>2019-20<br/>Actual</b> | <b>2020-21<br/>Adopted</b> | <b>2021-22<br/>Proposed</b> |
|--|---------------------------|---------------------------|----------------------------|-----------------------------|
| <b>GAS TAX FUND (221)</b>                              |                           |                           |                            |                             |
| <b>3430</b> Investment Interest.....                   | 58,921                    | 38,848                    | 63,000                     | 29,500                      |
| <b>3540</b> Gas Tax.....                               | 1,536,711                 | 1,739,693                 | 1,913,753                  | 1,941,304                   |
| <b>3802</b> Op Trfs in from Gas Tax Fund.....          | 0                         | 0                         | 0                          | 0                           |
| <b>3809</b> Op Trfs in Street Improv Fund.....         | 483,125                   | 131,350                   | 0                          | 0                           |
| <b>TOTAL (221)</b>                                     | <b>2,078,757</b>          | <b>3,230,202</b>          | <b>1,976,753</b>           | <b>1,970,804</b>            |
| <b>SB1 ROAD MAINTENANCE &amp; REHABILITATION (225)</b> |                           |                           |                            |                             |
| <b>3549</b> Road Maintenance & Rehabilitation.....     | 1,372,889                 | 0                         | 1,439,673                  | 1,489,911                   |
| <b>TOTAL (225)</b>                                     | <b>1,372,889</b>          | <b>0</b>                  | <b>1,439,673</b>           | <b>1,489,911</b>            |
| <b>95-1 LIGHTING/LSCAPE DIST (235)</b>                 |                           |                           |                            |                             |
| <b>3430</b> Investment Interest.....                   | 1,460                     | 570                       | 2,000                      | 200                         |
| <b>3720</b> Special Assessments.....                   | 338,570                   | 356,565                   | 380,000                    | 417,813                     |
| <b>3801</b> Op Trfs in from General Fund.....          | 0                         | 0                         | 0                          | 21,687                      |
| <b>TOTAL (235)</b>                                     | <b>340,030</b>            | <b>357,135</b>            | <b>382,000</b>             | <b>439,700</b>              |
| <b>98-1 LIGHTING/LSCAPE DIST (236)</b>                 |                           |                           |                            |                             |
| <b>3430</b> Investment Interest.....                   | 174                       | 107                       | 0                          | 100                         |
| <b>3720</b> Special Assessments.....                   | 41,591                    | 43,622                    | 46,000                     | 48,504                      |
| <b>3801</b> Op Trfs in from General Fund.....          | 0                         | 0                         | 0                          | 20,606                      |
| <b>TOTAL (236)</b>                                     | <b>41,765</b>             | <b>43,729</b>             | <b>46,000</b>              | <b>69,210</b>               |
| <b>05 COMMUNITY FCLTY DIST (237)</b>                   |                           |                           |                            |                             |
| <b>3430</b> Investment Interest.....                   | 19,809                    | 26,716                    | 21,000                     | 23,200                      |
| <b>3720</b> Special Assessments.....                   | 1,155,463                 | 1,203,336                 | 1,230,000                  | 1,230,000                   |
| <b>TOTAL (237)</b>                                     | <b>1,175,272</b>          | <b>1,230,052</b>          | <b>1,251,000</b>           | <b>1,253,200</b>            |
| <b>08 COMMUNITY FCLTY DIST (238)</b>                   |                           |                           |                            |                             |
| <b>3430</b> Investment Interest.....                   | 0                         | 3,682                     | 0                          | 5,100                       |
| <b>3720</b> Special Assessments.....                   | 977,844                   | 1,913,461                 | 2,570,000                  | 2,458,079                   |
| <b>TOTAL (238)</b>                                     | <b>977,844</b>            | <b>1,917,143</b>          | <b>2,570,000</b>           | <b>2,463,179</b>            |
| <b>HCD FUND (250)</b>                                  |                           |                           |                            |                             |
| <b>3550</b> Federal Contributions.....                 | 657,731                   | 397,259                   | 600,000                    | 650,000                     |
| <b>TOTAL (250)</b>                                     | <b>657,731</b>            | <b>397,259</b>            | <b>600,000</b>             | <b>650,000</b>              |
| <b>HCD LOAN (251)</b>                                  |                           |                           |                            |                             |
| <b>3430</b> Investment Interest.....                   | 0                         | 0                         | 2,000                      | 4,400                       |
| <b>TOTAL (251)</b>                                     | <b>0</b>                  | <b>0</b>                  | <b>2,000</b>               | <b>4,400</b>                |
| <b>SUPPLEMENTAL LAW ENFORCEMENT (261)</b>              |                           |                           |                            |                             |
| <b>3430</b> Investment Interest.....                   | 3,236                     | 3,011                     | 3,000                      | 3,000                       |
| <b>3560</b> State Contributions.....                   | 97,249                    | 207,885                   | 0                          | 0                           |
| <b>TOTAL (261)</b>                                     | <b>100,485</b>            | <b>210,896</b>            | <b>3,000</b>               | <b>3,000</b>                |

**Revenues by Fund (Detail)**

|  | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed |
|--|-------------------|-------------------|--------------------|---------------------|
| <b>STATE ASSET SEIZURE (262)</b>               |                   |                   |                    |                     |
| 3430 Investment Interest.....                  | 1,149             | 1,274             | 0                  | 1,000               |
| 3560 State Contributions.....                  | 0                 | 4,717             | 0                  | 0                   |
| <b>TOTAL (262)</b>                             | <b>1,149</b>      | <b>5,991</b>      | <b>0</b>           | <b>1,000</b>        |
| <b>FEDERAL ASSET SEIZURE (263)</b>             |                   |                   |                    |                     |
| 3430 Investment Interest.....                  | 1,193             | 1,241             | 0                  | 1,000               |
| <b>TOTAL (263)</b>                             | <b>1,193</b>      | <b>1,241</b>      | <b>0</b>           | <b>1,000</b>        |
| <b>FEDERAL GRANTS POLICE DEPARTMENT (267)</b>  |                   |                   |                    |                     |
| 3550 Federal Contributions.....                | 74,835            | 34,082            | 0                  | 0                   |
| <b>TOTAL (267)</b>                             | <b>74,835</b>     | <b>34,082</b>     | <b>0</b>           | <b>0</b>            |
| <b>STATE GRANTS POLICE DEPARTMENT (268)</b>    |                   |                   |                    |                     |
| 3430 Investment Interest.....                  | 1,220             | 14,532            | 0                  | 12,200              |
| 3560 State Contributions.....                  | 10,000            | 25,714            | 0                  | 0                   |
| <b>TOTAL (268)</b>                             | <b>11,220</b>     | <b>40,246</b>     | <b>0</b>           | <b>12,200</b>       |
| <b>GRANTS FIRE DEPARTMENT (269)</b>            |                   |                   |                    |                     |
| 3550 Federal Contributions.....                | 15,865            | 0                 | 0                  | 0                   |
| 3570 County Contributions.....                 | 48,406            | (44)              | 0                  | 0                   |
| <b>TOTAL (269)</b>                             | <b>64,271</b>     | <b>(42)</b>       | <b>0</b>           | <b>200</b>          |
| <b>SOLID WASTE SERVICES (280)</b>              |                   |                   |                    |                     |
| 3139 County-wide AB 939 Fee.....               | 205,790           | 200,198           | 210,000            | 210,000             |
| 3430 Investment Interest.....                  | 32,807            | 37,017            | 33,000             | 27,000              |
| 3560 State Contributions.....                  | 18,779            | 5,553             | 0                  | 0                   |
| 3610 Engineering Service Charges.....          | 0                 | 0                 | 0                  | 0                   |
| 3670 Utility Charges.....                      | 0                 | 0                 | 0                  | 0                   |
| 3740 Reimbursements.....                       | 0                 | 0                 | 0                  | 0                   |
| 3790 Miscellaneous Other Revenue.....          | 576               | 0                 | 0                  | 0                   |
| 3822 Op Trfs in from General Gov't Fund.....   | 134,151           | 0                 | 0                  | 0                   |
| <b>TOTAL (280)</b>                             | <b>392,103</b>    | <b>242,768</b>    | <b>243,000</b>     | <b>237,000</b>      |
| <b>HOUSING AUTHORITY (295)</b>                 |                   |                   |                    |                     |
| 3430 Investment Interest.....                  | 149,363           | 154,220           | 143,000            | 122,000             |
| 3600 General Government Service Charges.....   | 144,542           | 102,487           | 149,000            | 149,000             |
| 3770 Sale of Property, Plant, & Equipment..... | 0                 | 0                 | 0                  | 0                   |
| <b>TOTAL (295)</b>                             | <b>293,905</b>    | <b>256,707</b>    | <b>292,000</b>     | <b>271,000</b>      |
| <b>STREET FUND (310)</b>                       |                   |                   |                    |                     |
| 3430 Investment Interest.....                  | 112,817           | 88,064            | 73,000             | 70,100              |
| 3790 Miscellaneous Other Revenue.....          | 136,854           | 0                 | 0                  | 0                   |
| 3831 Appn Transfers in from General Fund.....  | 993,464           | 0                 | 0                  | 0                   |
| <b>TOTAL (310)</b>                             | <b>1,243,135</b>  | <b>88,064</b>     | <b>73,000</b>      | <b>70,100</b>       |



## Revenues by Fund (Detail)

|  | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed |
|--|-------------------|-------------------|--------------------|---------------------|
| <b>STREET CIP (311)</b>                            |                   |                   |                    |                     |
| 3560 State Contributions.....                      | 108,083           | 0                 | 500,000            | 500,000             |
| 3570 County Contributions.....                     | (89,370)          | 3,097,585         | 1,403,431          | 0                   |
| 3710 Development.....                              | 0                 | 0                 | (27,913)           | 0                   |
| 3802 Op Trfs in from Gas Tax Fund.....             | 1,775,000         | 4,371,569         | 1,596,569          | 1,585,568           |
| 3810 Op Trfs in from Park Improvement.....         | 50,000            | 0                 | 0                  | 0                   |
| 3815 Op Trfs in from Sewer Fund.....               | 100,000           | 0                 | 0                  | 0                   |
| 3819 Op Trfs in from Other.....                    | 0                 | 0                 | 1,400,000          | 1,500,000           |
| 3822 Op Trfs in from General Gov't Fund.....       | 0                 | 0                 | 0                  | 100,000             |
| 3824 Op Trfs in Transit Area Fund.....             | 1,400,000         | 245,000           | 0                  | 0                   |
| 3826 Op Trfs in from Measure I TOT Fund.....       | 0                 | 0                 | 0                  | 0                   |
| 3849 Other Appn Transfers In.....                  | 750,000           | 0                 | 0                  | 0                   |
| 3899 Op Trfs in from Subsidiary CIP Fund.....      | 1,650,000         | 880,000           | 0                  | 764,432             |
| <b>TOTAL (311)</b>                                 | <b>5,743,713</b>  | <b>10,194,154</b> | <b>4,872,087</b>   | <b>4,450,000</b>    |
| <b>TRAFFIC IMPACT FEE (312)</b>                    |                   |                   |                    |                     |
| 3430 Investment Interest.....                      | 4,309             | 0                 | 36,000             | 0                   |
| 3710 Development.....                              | 0                 | 0                 | 0                  | 0                   |
| 3899 Op Trfs in from Subsidiary CIP Fund.....      | 0                 | 7,831             | 0                  | 0                   |
| <b>TOTAL (312)</b>                                 | <b>4,309</b>      | <b>7,831</b>      | <b>36,000</b>      | <b>0</b>            |
| <b>VEHICLE REGISTRATION FEE (314)</b>              |                   |                   |                    |                     |
| 3430 Investment Interest.....                      | 4,841             | 4,793             | 0                  | 6,700               |
| 3570 County Contributions.....                     | 461,101           | 510,824           | 0                  | 0                   |
| 3809 Op Trfs in Street Improv Fund.....            | 60,499            | 0                 | 0                  | 0                   |
| 3822 Op Trfs in from General Gov't Fund.....       | 0                 | 0                 | 0                  | 264,432             |
| 3829 Op Trfs in from Vehicle Registration Fee..... | 0                 | 0                 | 0                  | 0                   |
| <b>TOTAL (314)</b>                                 | <b>526,441</b>    | <b>515,617</b>    | <b>0</b>           | <b>271,132</b>      |
| <b>CALAVERAS WIDENING IMPACT FEE (315)</b>         |                   |                   |                    |                     |
| 3430 Investment Interest.....                      | 23,701            | 28,220            | 0                  | 23,500              |
| 3710 Development.....                              | 550,578           | 11,087            | 0                  | 215,000             |
| <b>TOTAL (315)</b>                                 | <b>574,279</b>    | <b>294,255</b>    | <b>0</b>           | <b>238,500</b>      |
| <b>MONTAGUE WIDENING IMPACT FEE (316)</b>          |                   |                   |                    |                     |
| 3430 Investment Interest.....                      | 6,797             | 0                 | 0                  | 0                   |
| <b>TOTAL (316)</b>                                 | <b>6,797</b>      | <b>0</b>          | <b>0</b>           | <b>0</b>            |
| <b>MILPITAS BUSINESS PARK IMPACT FEE (317)</b>     |                   |                   |                    |                     |
| 3430 Investment Interest.....                      | 4,824             | (1,804)           | 0                  | 0                   |
| <b>TOTAL (317)</b>                                 | <b>4,824</b>      | <b>(1,804)</b>    | <b>0</b>           | <b>0</b>            |
| <b>PARK IMPROVEMENT FUND (320)</b>                 |                   |                   |                    |                     |
| 3430 Investment Interest.....                      | 389,945           | 386,347           | 384,000            | 167,500             |
| 3822 Op Trfs in from General Gov't Fund.....       | 0                 | 0                 | 0                  | 0                   |
| 3824 Op Trfs in Transit Area Fund.....             | 150,000           | 0                 | 0                  | 0                   |
| 3899 Op Trfs in from Subsidiary CIP Fund.....      | 0                 | 1,100,000         | 649,000            | 0                   |
| <b>TOTAL (320)</b>                                 | <b>539,945</b>    | <b>1,486,347</b>  | <b>1,033,000</b>   | <b>167,500</b>      |

**Revenues by Fund (Detail)**

|   | <b>2018-19<br/>Actual</b> | <b>2019-20<br/>Actual</b> | <b>2020-21<br/>Adopted</b> | <b>2021-22<br/>Proposed</b> |
|---|---------------------------|---------------------------|----------------------------|-----------------------------|
| <b>PARK IMPROVEMENT CIP (321)</b>               |                           |                           |                            |                             |
| 3815 Op Trfs in from Sewer Fund.....            | 0                         | 0                         | 0                          | 0                           |
| 3822 Op Trfs in from General Gov't Fund.....    | 2,285,000                 | 1,250,000                 | 0                          | 0                           |
| 3824 Op Trfs in Transit Area Fund.....          | 6,425,000                 | 300,000                   | 0                          | 0                           |
| 3831 Appn Transfers in from General Fund.....   | 800,000                   | 0                         | 0                          | 0                           |
| 3852 Appn Transfers in from General Gov't.....  | 2,800,000                 | 0                         | 0                          | 0                           |
| 3899 Op Trfs in from Subsidiary CIP Fund.....   | 2,237,042                 | 1,400,000                 | 0                          | 135,000                     |
| <b>TOTAL (321)</b>                              | <b>14,547,042</b>         | <b>2,950,000</b>          | <b>0</b>                   | <b>135,000</b>              |
| <b>MIDTOWN PARK FUND (322)</b>                  |                           |                           |                            |                             |
| 3430 Investment Interest.....                   | 37,698                    | 19,632                    | 29,000                     | 22,500                      |
| 3710 Development.....                           | 0                         | 607,401                   | 1,400,000                  | 250,000                     |
| 3899 Op Trfs in from Subsidiary CIP Fund.....   | 1,460,205                 | 0                         | 0                          | 0                           |
| <b>TOTAL (320)</b>                              | <b>1,497,903</b>          | <b>627,033</b>            | <b>1,429,000</b>           | <b>272,500</b>              |
| <b>GENERAL GOVERNMENT (330)</b>                 |                           |                           |                            |                             |
| 3430 Investment Interest.....                   | 461,745                   | 570,581                   | 511,000                    | 396,000                     |
| 3801 Op Trfs in from General Fund.....          | 2,650,000                 | 4,000,000                 | 0                          | 0                           |
| 3809 Op Trfs in Street Improv Fund.....         | 0                         | 0                         | 200,000                    | 0                           |
| 3810 Op Trfs in from Park Improvement.....      | 15,405                    | 0                         | 0                          | 0                           |
| 3822 Op Trfs in General Government.....         | 0                         | 0                         | 1,500,000                  | 0                           |
| 3823 Op Trfs in Storm Drain Fund.....           | 0                         | 1,000,000                 | 1,580,000                  | 0                           |
| 3831 Appn Transfers in from General Fund.....   | 8,171,174                 | 0                         | 0                          | 0                           |
| 3899 Op Trfs in from Subsidiary CIP Fund.....   | 0                         | 4,352,245                 | 4,500,387                  | 0                           |
| 3982 Capital Leases.....                        | 952,245                   | 0                         | 0                          | 0                           |
| <b>TOTAL (330)</b>                              | <b>12,250,569</b>         | <b>9,922,826</b>          | <b>8,291,387</b>           | <b>396,000</b>              |
| <b>GENERAL GOVERNMENT CIP (331)</b>             |                           |                           |                            |                             |
| 3560 State Contributions.....                   | 0                         | 0                         | 0                          | 433,429                     |
| 3580 Other Restricted Grants.....               | 0                         | 29,000                    | 0                          | 0                           |
| 3710 Development.....                           | 0                         | 0                         | 0                          | 0                           |
| 3801 Op Trfs in from General Fund.....          | 0                         | 0                         | 0                          | 0                           |
| 3802 Op Trfs in from Gas Tax Fund.....          | 0                         | 800,000                   | 395,090                    | 608,947                     |
| 3803 Op Trfs in from Gas Tax Fund.....          | 0                         | 0                         | 0                          | 261,000                     |
| 3809 Op Trfs in Street Improv Fund.....         | 0                         | 0                         | 1,200,000                  | 0                           |
| 3810 Op Trfs in from Park Improvement.....      | 75,000                    | 0                         | 750,000                    | 0                           |
| 3815 Op Trfs in from Sewer Fund.....            | 0                         | 0                         | 129,910                    | 0                           |
| 3817 Op Trfs in from Equipment Replacement..... | 0                         | 0                         | 0                          | 161,131                     |
| 3819 Op Trfs in from Other.....                 | 200,000                   | 2,075,000                 | 1,350,000                  | 1,422,485                   |
| 3824 Op Trfs in Transit Area Fund.....          | 0                         | 0                         | 0                          | 78,000                      |
| 3827 Op Trfs in from LLMD Fund.....             | 95,000                    | 108,000                   | 97,500                     | 4,000                       |
| 3847 Appn Transfers in from Equipment.....      | 98,000                    | 0                         | 0                          | 0                           |
| 3849 Other Appn Transfers In.....               | 250,000                   | 0                         | 0                          | 0                           |
| 3899 Op Trfs in from Subsidiary CIP Fund.....   | 8,197,245                 | 9,664,143                 | 15,110,000                 | 3,010,440                   |
| <b>TOTAL (331)</b>                              | <b>8,915,245</b>          | <b>12,676,143</b>         | <b>19,032,500</b>          | <b>5,979,432</b>            |

**Revenues by Fund (Detail)**

|   | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed |
|---|-------------------|-------------------|--------------------|---------------------|
| <b>2020 FIRE STATION BONDS (334)</b>          |                   |                   |                    |                     |
| 3970 Bond Proceeds.....                       | 0                 | 0                 | 13,000,000         | 0                   |
| <b>TOTAL (331)</b>                            | <b>0</b>          | <b>0</b>          | <b>13,000,000</b>  | <b>0</b>            |
| <b>STORM DRAIN DEVELOPMENT (340)</b>          |                   |                   |                    |                     |
| 3430 Investment Interest.....                 | 146,843           | 132,357           | 125,000            | 50,900              |
| 3710 Development.....                         | 1,017,027         | 105,739           | 610,000            | 340,000             |
| 3831 Appn Transfers in from General Fund..... | 0                 | 0                 | 0                  | 0                   |
| 3899 Op Trfs in from Subsidiary CIP Fund..... | 217,000           | 0                 | 75,000             | 0                   |
| <b>TOTAL (340)</b>                            | <b>1,380,870</b>  | <b>238,096</b>    | <b>810,000</b>     | <b>390,900</b>      |
| <b>STORM DRAIN CIP (341)</b>                  |                   |                   |                    |                     |
| 3815 Op Trfs in from Sewer Fund               | 15,000            | 0                 | 0                  | 0                   |
| 3822 Op Trfs in from General Gov't Fund       | 0                 | 250,000           | 0                  | 0                   |
| 3852 Appn Transfers in General Government     | 250,000           | 0                 | 0                  | 0                   |
| 3899 Op Trfs in from Subsidiary CIP Fund      | 345,000           | 1,505,000         | 1,170,000          | 0                   |
| <b>TOTAL (341)</b>                            | <b>610,000</b>    | <b>1,755,000</b>  | <b>1,170,000</b>   | <b>0</b>            |
| <b>TRANSIT AREA IMPACT FEE FUND (350)</b>     |                   |                   |                    |                     |
| 3430 Investment Interest                      | 1,003,508         | 1,278,584         | 1,016,000          | 1,000,000           |
| 3710 Development                              | 38,984,248        | 22,158,628        | 5,200,000          | 13,000,000          |
| 3812 Op Trfs in from Water Fund               | 480,643           | 0                 | 0                  | 0                   |
| 3899 Op Trfs in from Subsidiary CIP Fund      | 0                 | 2,700,000         | 0                  | 0                   |
| <b>TOTAL (350)</b>                            | <b>40,468,399</b> | <b>26,137,212</b> | <b>6,216,000</b>   | <b>14,000,000</b>   |
| <b>TRANSIT AREA IMPACT FEE CIP FUND (351)</b> |                   |                   |                    |                     |
| 3570 County Contributions                     | 0                 | 0                 | (9,000)            | 0                   |
| 3710 Development                              | 0                 | 0                 | 0                  | 0                   |
| 3899 Op Trfs in from Subsidiary CIP Fund      | 13,777,907        | 11,619,251        | 2,975,000          | 3,400,000           |
| <b>TOTAL (351)</b>                            | <b>13,777,907</b> | <b>11,619,251</b> | <b>2,966,000</b>   | <b>3,400,000</b>    |
| <b>WATER M &amp; O FUND (400)</b>             |                   |                   |                    |                     |
| 3430 Investment Interest                      | 568,961           | 552,105           | 473,000            | 372,000             |
| 3550 Federal Contributions                    | 4,998             | 0                 | 0                  | 0                   |
| 3580 Other Restricted Grants                  | 108,899           | 140,154           | 0                  | 0                   |
| 3620 Public Works Service Charges             | 0                 | 0                 | 0                  | 0                   |
| 3670 Utility Charges                          | 24,664,456        | 28,727,511        | 31,192,091         | 31,143,569          |
| 3790 Miscellaneous Other Revenue              | 38,220            | 17,601            | 250,000            | 17,601              |
| 3981 Contributions-Proprietary Fund           | 599,610           | 0                 | 0                  | 0                   |
| 3809 Op Trfs in from Street Fund              | 13,444            | 3,089             | 0                  | 0                   |
| 3899 Op Trfs in from Subsidiary CIP Fund      | 0                 | 0                 | 150,000            | 0                   |
| <b>TOTAL (400)</b>                            | <b>25,998,588</b> | <b>29,440,460</b> | <b>32,065,091</b>  | <b>31,533,170</b>   |
| <b>WATER CIP (401)</b>                        |                   |                   |                    |                     |
| 3810 Op Trfs in from Park Improvement.....    | 0                 | 0                 | 0                  | 0                   |
| 3824 Op Trfs in Transit Area Fund.....        | 2,330,000         | 0                 | 0                  | 0                   |
| 3899 Op Trfs in from Subsidiary CIP Fund..... | 3,248,800         | 5,126,172         | 11,605,000         | 2,090,000           |
| <b>TOTAL (401)</b>                            | <b>5,578,800</b>  | <b>5,126,172</b>  | <b>11,605,000</b>  | <b>2,090,000</b>    |

| Revenues by Fund (Detail)                     |  | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed |
|---|--|-------------------|-------------------|--------------------|---------------------|
| <b>WATER LINE EXTENSION FUND (402)</b>        |  |                   |                   |                    |                     |
| 3430  | Investment Interest.....                 | 32,416            | 50,975            | 43,000             | 42,000              |
| 3710  | Development.....                         | 928,510           | 281,064           | 1,540,000          | 297,000             |
| 3790  | Miscellaneous Other Revenue.....         | 9,621             | 7,216             | 9,000              | 7,216               |
| 3812  | Op Trfs in from Water Fund.....          | 0                 | 0                 | 0                  | 0                   |
| 3899  | Op Trfs in from Subsidiary CIP Fund..... | 0                 | 0                 | 0                  | 0                   |
| <b>TOTAL (402)</b>                            |  | <b>970,547</b>    | <b>339,255</b>    | <b>1,592,000</b>   | <b>346,216</b>      |
| <b>2019 WATER BONDS (403)</b>                 |  |                   |                   |                    |                     |
| 3970  | Bond Proceeds.....                       | 0                 | 0                 | 0                  | 0                   |
| <b>TOTAL (403)</b>                            |  | <b>0</b>          | <b>0</b>          | <b>0</b>           | <b>0</b>            |
| <b>WATER INFRASTRUCTURE REPLACEMENT (405)</b> |  |                   |                   |                    |                     |
| 3430  | Investment Interest.....                 | 93,244            | 200,083           | 178,000            | 150,000             |
| 3670  | Utility Charges.....                     | 4,643,162         | 3,937,947         | 4,194,462          | 3,984,653           |
| 3899  | Op Trfs in from Subsidiary CIP Fund..... | 357,934           | 3,750,000         | 20,000             | 0                   |
| <b>TOTAL (405)</b>                            |  | <b>5,094,340</b>  | <b>7,888,030</b>  | <b>4,392,462</b>   | <b>4,134,653</b>    |
| <b>SEWER M &amp; O FUND (450)</b>             |  |                   |                   |                    |                     |
| 3430  | Investment Interest.....                 | 343,584           | 285,147           | 202,000            | 251,000             |
| 3435  | Gain/Loss on Investments.....            | 70,856            | 254,038           | 0                  | 0                   |
| 3670  | Utility Charges.....                     | 17,521,841        | 19,293,825        | 20,691,985         | 20,657,555          |
| 3550  | Federal Contributions.....               | 4,998             | 0                 | 0                  | 0                   |
| 3580  | Other Restricted Grants.....             | 0                 | 0                 | 0                  | 0                   |
| 3790  | Miscellaneous Other Revenue.....         | 11,508            | 0                 | 0                  | 0                   |
| 3809  | Op Trfs in from Street Fund.....         | 13,444            | 103,089           | 0                  | 0                   |
| 3899  | Op Trfs in from Subsidiary CIP Fund..... | 1,706,677         | 0                 | 74,000             | 0                   |
| <b>TOTAL (450)</b>                            |  | <b>19,672,908</b> | <b>19,936,099</b> | <b>20,967,985</b>  | <b>20,908,555</b>   |
| <b>SEWER CIP (451)</b>                        |  |                   |                   |                    |                     |
| 3899  | Op Trfs in from Subsidiary CIP Fund..... | 4,400,000         | 22,651,274        | 9,045,195          | 6,480,000           |
| <b>TOTAL (451)</b>                            |  | <b>4,400,000</b>  | <b>22,651,274</b> | <b>9,045,195</b>   | <b>6,480,000</b>    |
| <b>TREATMENT PLANT CONSTRUCTION (452)</b>     |  |                   |                   |                    |                     |
| 3430  | Investment Interest.....                 | 118,660           | 106,447           | 107,000            | 84,400              |
| 3710  | Development.....                         | 1,447,915         | 337,523           | 2,550,000          | 452,000             |
| <b>TOTAL (452)</b>                            |  | <b>1,566,575</b>  | <b>443,970</b>    | <b>2,657,000</b>   | <b>536,400</b>      |
| <b>2017 SEWER REFUNDING BONDS (453)</b>       |  |                   |                   |                    |                     |
| 3430  | Investment Interest.....                 | 62                | 58                | 0                  | 0                   |
| <b>TOTAL (453)</b>                            |  | <b>62</b>         | <b>58</b>         | <b>0</b>           | <b>0</b>            |
| <b>2019 SEWER BONDS (454)</b>                 |  |                   |                   |                    |                     |
| 3970  | Bond Proceeds.....                       | 0                 | 0                 | 0                  | 0                   |
| <b>TOTAL (454)</b>                            |  | <b>0</b>          | <b>0</b>          | <b>0</b>           | <b>0</b>            |

## Revenues by Fund (Detail)

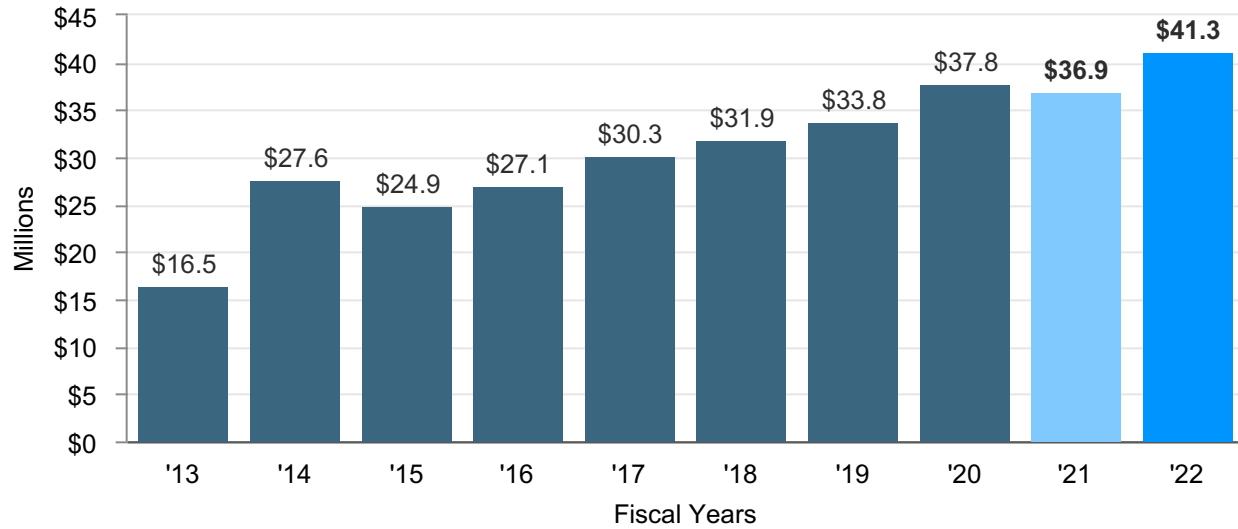
|   | 2018-19<br>Actual     | 2019-20<br>Actual     | 2020-21<br>Adopted    | 2021-22<br>Proposed   |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>SEWER INFRASTRUCTURE REPLACEMENT (455)</b>   |                       |                       |                       |                       |
| 3430 Investment Interest.....                   | 174,607               | 283,877               | 281,000               | 310,500               |
| 3899 Intrafund Trf In-Parent/Child.....         | 14,500,000            | 6,080,000             | 235,000               | 0                     |
| <b>TOTAL (455)</b>                              | <b>14,674,607</b>     | <b>6,363,877</b>      | <b>516,000</b>        | <b>310,500</b>        |
| <b>EQUIPMENT REPLACEMENT FUND (500)</b>         |                       |                       |                       |                       |
| 3430 Investment Interest.....                   | 166,280               | 189,351               | 160,000               | 155,000               |
| 3610 Engineering Service Charges.....           | 1,200                 | 1,200                 | 0                     | 0                     |
| 3620 Public Works Service Charges.....          | 2,839,552             | 3,422,578             | 3,320,502             | 3,400,000             |
| 3670 Utility Charges.....                       | 0                     | 0                     | 0                     | 0                     |
| 3770 Sale of Property, Plant and Equipment..... | 2,256                 | 42,754                | 0                     | 0                     |
| 3790 Miscellaneous Other Revenue.....           | 50                    | 1,696                 | 0                     | 0                     |
| 3981 Contributions-Proprietary Fund.....        | 2,796,466             | 0                     | 0                     | 0                     |
| 3822 Op Trfs in from General Gov't Fund.....    | 0                     | 0                     | 0                     | 0                     |
| <b>TOTAL (500)</b>                              | <b>5,805,804</b>      | <b>3,657,579</b>      | <b>3,480,502</b>      | <b>3,555,000</b>      |
| <b>INFORMATION TECHNOLOGY REPLACEMENT (505)</b> |                       |                       |                       |                       |
| 3430 Investment Interest.....                   | 6,175                 | 12,032                | 10,000                | 10,500                |
| 3801 Op Trfs in from General Fund.....          | 300,000               | 300,000               | 300,000               | 300,000               |
| <b>TOTAL (505)</b>                              | <b>306,175</b>        | <b>312,032</b>        | <b>310,000</b>        | <b>310,500</b>        |
| <b>PERMIT AUTOMATION FUND (506)</b>             |                       |                       |                       |                       |
| 3430 Investment Interest.....                   | 52,004                | 32,762                | 45,000                | 19,500                |
| 3601 General Government Service Charges.....    | 1,352,425             | 818,739               | 0                     | 750,000               |
| <b>TOTAL (506)</b>                              | <b>1,404,429</b>      | <b>851,501</b>        | <b>45,000</b>         | <b>769,500</b>        |
| <b>TOTAL REVENUES</b>                           | <b>\$ 311,269,647</b> | <b>\$ 291,344,386</b> | <b>\$ 269,325,364</b> | <b>\$ 221,660,010</b> |
| Less Interfund Operating Transfers*             |                       |                       | (51,138,582)          | (16,672,304)          |
| (Increase) Decrease of Reserves                 |                       |                       | 2,130,728             | (10,543,045)          |
| <b>TOTAL BUDGET SUMMARY REVENUES</b>            |                       |                       | <b>\$ 220,317,510</b> | <b>\$ 194,444,661</b> |

\*Interfund Operating Transfers are transfers within the same fund group on the Budget Summary



## General Fund Revenue History

### History of Property Tax Revenue



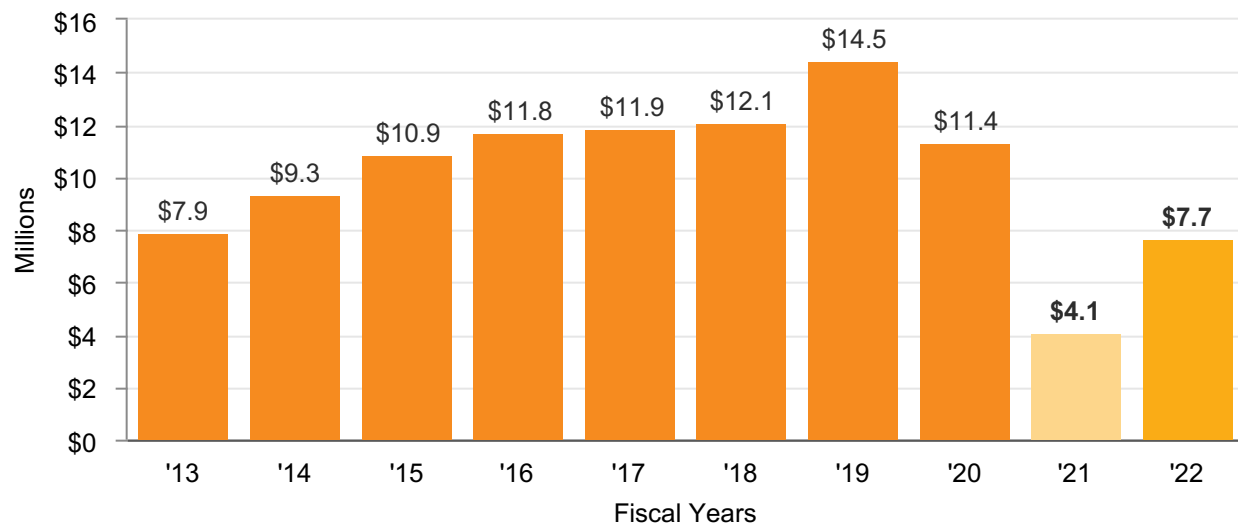
Amounts include RPTTF distribution

Actual

Amended Budget (2/16/2021)

Adopted Budget

### History of Transient Occupancy Tax Revenue



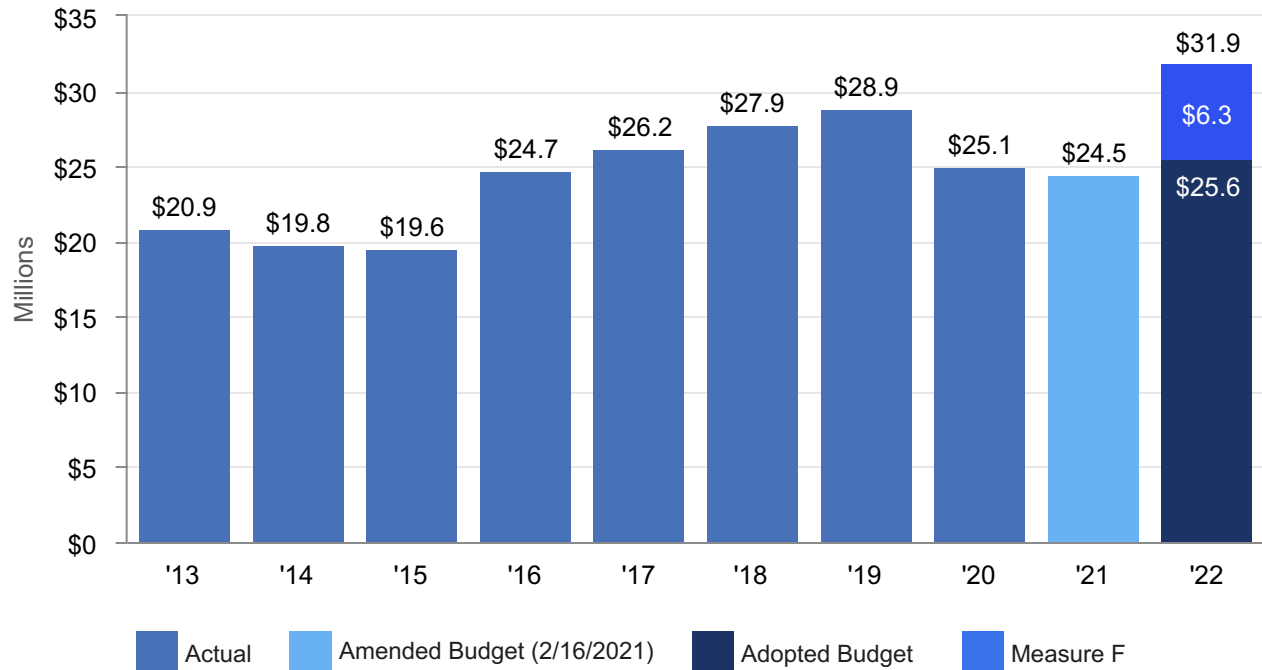
TOT rate increased from 10% to 14% effective January 1, 2019.

Actual

Amended Budget (2/16/2021)

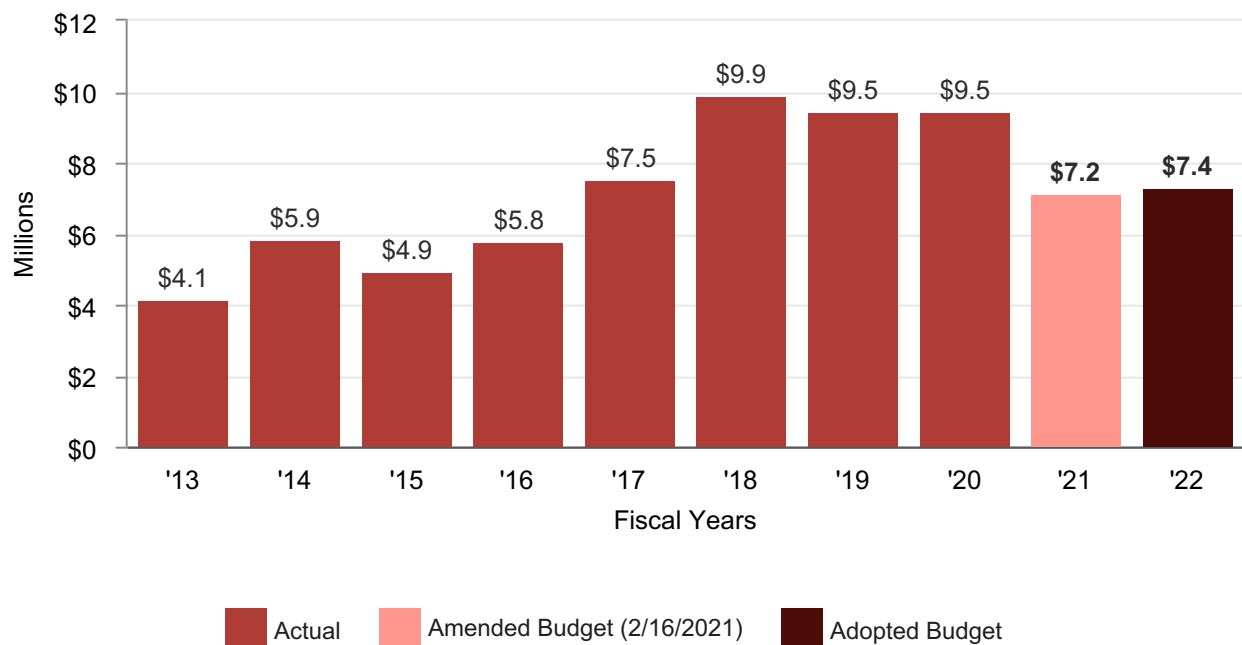
Adopted Budget

## History of Sales Tax Revenue

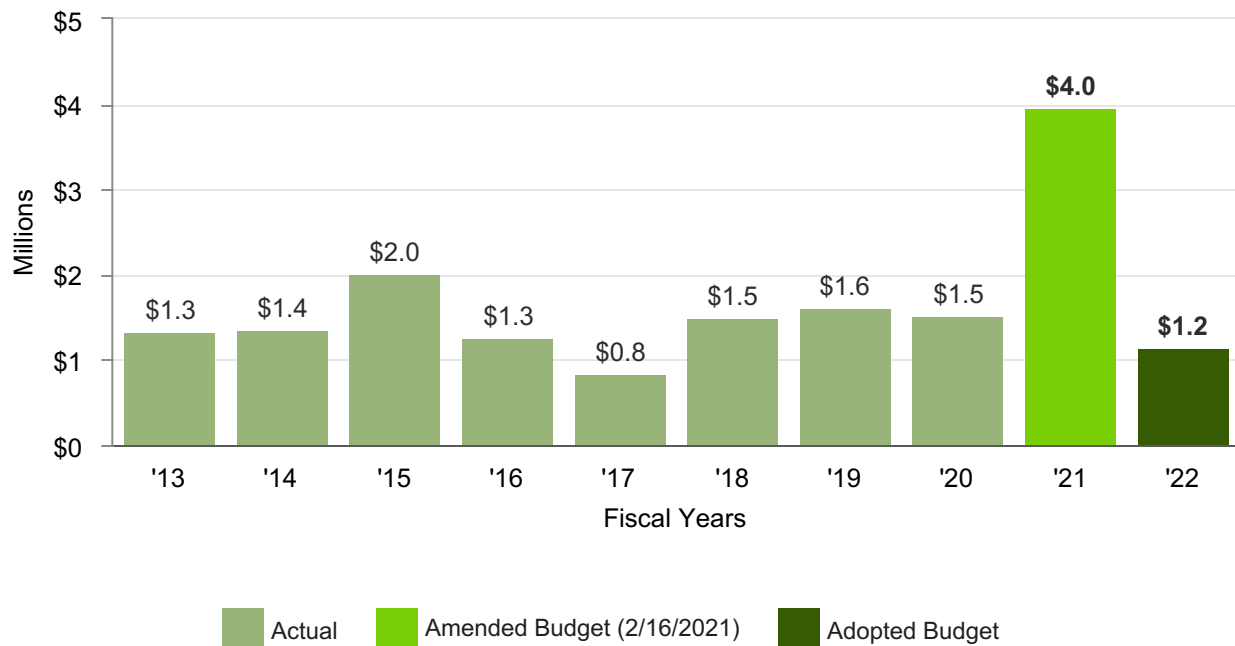


\*Amended Budget for FY2020-21 and Adopted Budget for FY2021-22 includes Measure F 1/4 cent Local Sales Tax (\$6.3 million)

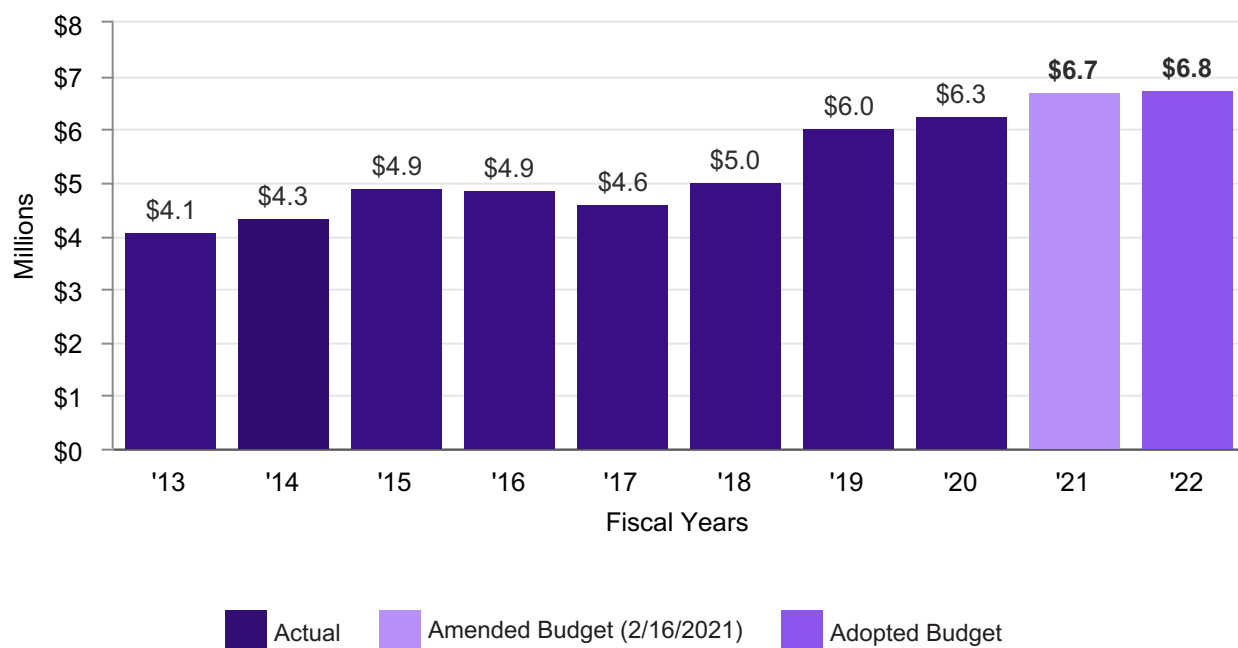
## History of Building Permit Revenue



## History of Intergovernmental Revenue



## History of "Other" Tax Revenue



## Expenditures by Fund

|  | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed |
|--|-------------------|-------------------|--------------------|---------------------|
| <b>100</b> General Fund.....                   | \$107,251,066     | \$111,291,794     | \$116,717,882      | \$110,385,632       |
| <b>103</b> 1452-1474 S. Main.....              | 37,490            | 64,724            | 44,000             | 61,000              |
| <b>105</b> Abandon Veh Abatement.....          | 108,396           | 77,904            | 10,000             | 10,000              |
| <b>109</b> Utility Rate Assistance.....        | 0                 | 5,540             | 256,700            | 256,700             |
| <b>150</b> Redevelopment Administration.....   | 50,054            | 27,740            | 21,406             | 16,315              |
| <b>211</b> H-Hetch Ground Lease.....           | 34,110            | 35,258            | 36,000             | 37,500              |
| <b>213</b> Public Art Fund-Nonrestricted.....  | 1,623             | 9,587             | 97,500             | 261,000             |
| <b>214</b> Community Planning Fee Fund.....    | 250,000           | 664,988           | 911,849            | 826,768             |
| <b>215</b> Community Benefit Fund.....         | 250,000           | 0                 | 0                  | 0                   |
| <b>216</b> Affordable Housing Fund.....        | 0                 | 176,420           | 706,608            | 692,742             |
| <b>221</b> Gas Tax Fund.....                   | 1,775,000         | 5,244,458         | 1,991,659          | 2,194,515           |
| <b>222</b> Measure B.....                      | 0                 | 0                 | 0                  | 0                   |
| <b>225</b> SB1 Road Maintenance & Rehab.....   | 0                 | 0                 | 1,400,000          | 1,500,000           |
| <b>235</b> 95-1 Lighting/Lscape Dist.....      | 329,459           | 488,462           | 360,157            | 382,549             |
| <b>236</b> 98-1 Lighting/Lscape Dist.....      | 66,939            | 52,390            | 43,998             | 58,650              |
| <b>237</b> 05 Community Fclty Dist.....        | 778,764           | 898,188           | 1,326,773          | 1,439,385           |
| <b>238</b> 08 Community Fclty Dist.....        | 938,898           | 1,661,933         | 2,674,000          | 2,463,179           |
| <b>250</b> HCD Fund.....                       | 657,729           | 397,259           | 615,734            | 615,734             |
| <b>251</b> HCD Loan.....                       | (3,510)           | 8                 | 0                  | 0                   |
| <b>261</b> Supplemental Law Enforcement.....   | 97,310            | 212,342           | 0                  | 0                   |
| <b>262</b> State Asset Seizure.....            | 0                 | 0                 | 30,000             | 90,000              |
| <b>263</b> Federal Asset Seizure.....          | 0                 | 0                 | 30,000             | 90,000              |
| <b>267</b> Justice Assistance Grant.....       | 36,841            | 34,082            | 0                  | 0                   |
| <b>268</b> Justice Assistance Grant 2009.....  | 9,884             | 25,714            | 0                  | 0                   |
| <b>269</b> Grant Fund.....                     | 63,813            | 0                 | 0                  | 0                   |
| <b>280</b> Solid Waste Services.....           | 431,913           | 243,201           | 997,475            | 970,527             |
| <b>295</b> Housing Authority.....              | 560,061           | 795,197           | 742,200            | 952,973             |
| <b>310</b> Street Fund.....                    | 1,867,288         | 164,092           | 1,200,000          | 0                   |
| <b>311</b> Street CIP.....                     | 9,683,865         | 8,035,899         | 4,872,087          | 4,450,000           |
| <b>314</b> Vehicle Registration Fee.....       | 500,000           | 764,432           | 0                  | 764,432             |
| <b>317</b> Milpitas Business Pk Impact Fe..... | 750,000           | 380,000           | 0                  | 0                   |
| <b>320</b> Park Improvement Fund.....          | 3,238,110         | 0                 | 750,000            | 35,000              |
| <b>321</b> Park Improvement CIP.....           | 1,985,760         | 8,831,573         | 0                  | 135,000             |
| <b>322</b> Midtown Park Fund.....              | 599,542           | 1,475,000         | 300,000            | 450,000             |
| <b>330</b> General Government.....             | 13,868,617        | 11,943,179        | 2,110,000          | 3,110,440           |

## Expenditures by Fund

|  | 2018-19<br>Actual     | 2019-20<br>Actual     | 2020-21<br>Adopted    | 2021-22<br>Proposed   |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| 331 General Government CIP.....              | 5,751,218             | 11,719,782            | 19,032,500            | 5,979,432             |
| 334 2020 Fire Station Bonds.....             | 0                     | 0                     | 13,000,000            | 0                     |
| 340 Storm Drain Development.....             | 345,000               | 1,505,000             | 1,170,000             | 0                     |
| 341 Storm Drain CIP.....                     | 520,131               | 1,872,108             | 1,170,000             | 0                     |
| 350 Transit Area Impact Fee Fund.....        | 24,064,710            | 18,120,524            | 3,050,000             | 3,493,429             |
| 351 Transit Area Impact Fee CIP Fund.....    | 8,163,181             | 6,910,743             | 2,966,000             | 3,400,000             |
| 400 Water M & O Fund.....                    | 25,780,573            | 26,380,537            | 27,892,549            | 28,306,246            |
| 401 Water CIP.....                           | 1,409,418             | 5,886,781             | 11,605,000            | 2,090,000             |
| 402 Water Line Extension Fund.....           | 397,100               | 200,000               | 228,000               | 0                     |
| 403 2019 Water Bonds.....                    | 0                     | 1,115,055             | 8,500,000             | 0                     |
| 405 Water Infrastructure Replmnt.....        | 2,851,700             | 5,027,519             | 3,922,650             | 3,220,050             |
| 450 Sewer M & O Fund.....                    | 25,730,659            | 17,643,288            | 18,035,698            | 15,083,053            |
| 451 Sewer CIP.....                           | 9,420,218             | 23,796,569            | 9,045,195             | 6,480,000             |
| 452 Treatment Plant Construction.....        | 2,000,000             | 1,200,000             | 200,000               | 0                     |
| 454 2019 Wastewater Bonds.....               | 0                     | 19,627,801            | 8,247,195             | 2,062,755             |
| 455 Sewer Infrastrture Replmnt.....          | 400,000               | 2,150,000             | 653,910               | 4,633,730             |
| 500 Equipment Mgnt Fund.....                 | 2,637,316             | 2,894,029             | 2,799,147             | 3,047,834             |
| 505 Information Tec Replmt.....              | 278,467               | 182,648               | 300,000               | 250,000               |
| 506 Permit Automation Fund.....              | 694,969               | 2,298,694             | 1,392,220             | 820,395               |
| <b>TOTAL</b>                                 | <b>\$ 256,663,682</b> | <b>\$ 302,791,975</b> | <b>\$ 271,456,092</b> | <b>\$ 211,116,965</b> |
| Less Interfund Operating Transfers*          |                       |                       | (51,138,582)          | (16,672,304)          |
| <b>TOTAL BUDGET SUMMARY<br/>EXPENDITURES</b> |                       |                       | <b>\$ 220,317,510</b> | <b>\$ 194,444,661</b> |

\*Interfund Operating Transfers are transfers within the same fund group on the Budget Summary

## Expenditures by Fund (Detail)

| FUND/FUNCTION                                   | Personal Services | Supplies Contractual Services | Capital Outlay | Debt Service | Capital Improvements | Operating Transfers Out | Total      |
|---|-------------------|-------------------------------|----------------|--------------|----------------------|-------------------------|------------|
| <b>GENERAL FUND (100)</b>                       |                   |                               |                |              |                      |                         |            |
| City Council.....                               | \$349,479         | \$199,995                     | \$0            | \$0          | \$0                  | \$0                     | \$549,474  |
| City Manager.....                               | 1,752,656         | 310,200                       | 0              | 0            | 0                    | 0                       | 2,062,856  |
| City Clerk.....                                 | 530,791           | 40,000                        | 0              | 0            | 0                    | 0                       | 570,791    |
| Economic Development....                        | 745,990           | 149,817                       | 0              | 0            | 0                    | 0                       | 895,807    |
| City Attorney.....                              | (1)               | 1,029,100                     | 0              | 0            | 0                    | 0                       | 1,029,099  |
| Building Inspection.....                        | 2,212,394         | 48,501                        | 0              | 0            | 0                    | 0                       | 2,260,895  |
| Building Safety and Housing Administration..... | 667,862           | 11,000                        | 0              | 0            | 0                    | 0                       | 678,862    |
| Housing and Neighborhood Svcs.....              | 579,645           | 491,406                       | 0              | 0            | 0                    | 0                       | 1,071,051  |
| Permit Center.....                              | 450,814           | 12,000                        | 0              | 0            | 0                    | 0                       | 462,814    |
| Plan Review.....                                | 1,347,532         | 12,600                        | 0              | 0            | 0                    | 0                       | 1,360,132  |
| Design & Construction.....                      | 1,150,413         | 7,820                         | 0              | 0            | 0                    | 0                       | 1,158,233  |
| Engineering Administration                      | 337,191           | 20,233                        | 0              | 0            | 0                    | 0                       | 357,424    |
| Land Development.....                           | 1,403,277         | 180,200                       | 0              | 0            | 0                    | 0                       | 1,583,477  |
| Traffic Engineering.....                        | 534,627           | 106,520                       | 0              | 0            | 0                    | 0                       | 641,147    |
| Finance Administration.....                     | 1,794,146         | 319,296                       | 0              | 0            | 0                    | 0                       | 2,113,442  |
| Finance Operations.....                         | 1,643,504         | 64,188                        | 0              | 0            | 0                    | 0                       | 1,707,692  |
| Fiscal Services-Utilities.....                  | 241,324           | 102,350                       | 0              | 0            | 0                    | 0                       | 343,674    |
| EMS Transport Services....                      | 0                 | 68,627                        | 0              | 0            | 0                    | 0                       | 68,627     |
| Fire Administration.....                        | 1,893,927         | 78,791                        | 0              | 0            | 0                    | 0                       | 1,972,718  |
| Fire Prevention.....                            | 2,889,338         | 24,800                        | 0              | 0            | 0                    | 0                       | 2,914,138  |
| Fire Prevention Administration.....             | 665,636           | 63,320                        | 0              | 0            | 0                    | 0                       | 728,956    |
| Office of Emergency Management.....             | 204,743           | 39,500                        | 0              | 0            | 0                    | 0                       | 244,243    |
| Operations Division.....                        | 18,142,683        | 2,521,606                     | 0              | 0            | 0                    | 0                       | 20,664,289 |
| Human Resources.....                            | 1,383,099         | 482,172                       | 0              | 0            | 0                    | 0                       | 1,865,271  |
| Information Technology.....                     | 2,341,227         | 1,317,872                     | 0              | 0            | 0                    | 0                       | 3,659,099  |
| Long Range Planning.....                        | 35,844            | 0                             | 0              | 0            | 0                    | 0                       | 35,844     |
| Planning.....                                   | 1,641,703         | 34,800                        | 0              | 0            | 0                    | 0                       | 1,676,503  |
| Communications.....                             | 3,811,932         | 281,276                       | 0              | 0            | 0                    | 0                       | 4,093,208  |
| Community Relations.....                        | 851,374           | 27,344                        | 0              | 0            | 0                    | 0                       | 878,718    |
| Crossing Guards.....                            | 511,444           | 2,000                         | 0              | 0            | 0                    | 0                       | 513,444    |
| Investigations.....                             | 4,419,594         | 422,920                       | 0              | 0            | 0                    | 0                       | 4,842,514  |
| Patrol Services.....                            | 18,513,148        | 696,970                       | 0              | 0            | 0                    | 0                       | 19,210,118 |
| Personnel & Training.....                       | 363,650           | 183,175                       | 0              | 0            | 0                    | 0                       | 546,825    |
| Police Administration.....                      | 1,673,039         | 18,148                        | 0              | 0            | 0                    | 0                       | 1,691,187  |
| Records.....                                    | 1,332,051         | 226,992                       | 0              | 0            | 0                    | 0                       | 1,559,043  |
| Traffic.....                                    | 2,162,084         | 99,764                        | 0              | 0            | 0                    | 0                       | 2,261,848  |
| Compliance.....                                 | 66,560            | 284,628                       | 0              | 0            | 0                    | 0                       | 351,188    |



| FUND/FUNCTION                             | Personal Services | Supplies Contractual Services | Capital Outlay | Debt Service     | Capital Improvements | Operating Transfers Out | Total              |
|---|-------------------|-------------------------------|----------------|------------------|----------------------|-------------------------|--------------------|
| Facilities Maintenance.....               | 1,642,147         | 982,964                       | 0              | 0                | 0                    | 0                       | 2,625,111          |
| Park Maintenance.....                     | 23,250            | 1,296,510                     | 0              | 0                | 0                    | 0                       | 1,319,760          |
| Public Works Administration.....          | 735,927           | 65,178                        | 0              | 0                | 0                    | 0                       | 801,105            |
| Solid Waste Services.....                 | 8,000             | 56,000                        | 0              | 0                | 0                    | 0                       | 64,000             |
| Street Maintenance.....                   | 1,232,547         | 416,770                       | 0              | 0                | 0                    | 0                       | 1,649,317          |
| Trees & Landscape Mnt....                 | 726,837           | 559,597                       | 0              | 0                | 0                    | 0                       | 1,286,434          |
| Utility Maintenance.....                  | 605,989           | 86,154                        | 0              | 0                | 0                    | 0                       | 692,143            |
| Aquatics.....                             | 387,781           | 11,300                        | 0              | 0                | 0                    | 0                       | 399,081            |
| General Classes.....                      | 102,866           | 269,599                       | 0              | 0                | 0                    | 0                       | 372,465            |
| Marketing.....                            | 178,618           | 77,200                        | 0              | 0                | 0                    | 0                       | 255,818            |
| Performing Arts.....                      | 0                 | 79,900                        | 0              | 0                | 0                    | 0                       | 79,900             |
| Recreation Administration..               | 1,670,429         | 97,401                        | 0              | 0                | 0                    | 0                       | 1,767,830          |
| Senior Services.....                      | 420,721           | 202,710                       | 0              | 0                | 0                    | 0                       | 623,431            |
| Social Services.....                      | 139,504           | 29,000                        | 0              | 0                | 0                    | 0                       | 168,504            |
| Special Events.....                       | 14,803            | 158,828                       | 0              | 0                | 0                    | 0                       | 173,631            |
| Sports & Fitness.....                     | 407,011           | 37,556                        | 0              | 0                | 0                    | 0                       | 444,567            |
| Youth Programs.....                       | 854,706           | 144,740                       | 0              | 0                | 0                    | 0                       | 999,446            |
| Equipment to be Depreciated.....          | 0                 | 0                             | 0              | 0                | 0                    | 0                       | 0                  |
| Non-Departmental.....                     | 537,542           | 6,145,804                     | 0              | 0                | 0                    | 0                       | 6,683,346          |
| Transfers Out.....                        | 0                 | 0                             | 0              | 0                | 0                    | 342,293                 | 342,293            |
| <b>sub-total (100)</b>                    | <b>88,333,397</b> | <b>20,697,142</b>             | <b>0</b>       | <b>1,012,800</b> | <b>0</b>             | <b>342,293</b>          | <b>110,385,632</b> |
| <b>1452-1474 S. MAIN (103)</b>            |                   |                               |                |                  |                      |                         |                    |
| 1452 S. Main Street Properties.....       | 0                 | 61,000                        | 0              | 0                | 0                    | 0                       | 61,000             |
| <b>sub-total (103)</b>                    | <b>0</b>          | <b>61,000</b>                 | <b>0</b>       | <b>0</b>         | <b>0</b>             | <b>0</b>                | <b>61,000</b>      |
| <b>ABANDON VEHICLE ABATEMENT (105)</b>    |                   |                               |                |                  |                      |                         |                    |
| Traffic.....                              | 10,000            | 0                             | 0              | 0                | 0                    | 0                       | 10,000             |
| <b>sub-total (105)</b>                    | <b>10,000</b>     | <b>0</b>                      | <b>0</b>       | <b>0</b>         | <b>0</b>             | <b>0</b>                | <b>10,000</b>      |
| <b>UTILITY RATE ASSISTANCE (109)</b>      |                   |                               |                |                  |                      |                         |                    |
| Non-Departmental.....                     | 0                 | 256,700                       | 0              | 0                | 0                    | 0                       | 256,700            |
| <b>sub-total (109)</b>                    | <b>0</b>          | <b>256,700</b>                | <b>0</b>       | <b>0</b>         | <b>0</b>             | <b>0</b>                | <b>256,700</b>     |
| <b>REDEVELOPMENT ADMINISTRATION (150)</b> |                   |                               |                |                  |                      |                         |                    |
| Finance Administration.....               | 3,956             | 0                             | 0              | 0                | 0                    | 0                       | 3,956              |
| Finance Operations.....                   | 10,999            | 0                             | 0              | 0                | 0                    | 0                       | 10,999             |
| Fiscal Services-Utilities.....            | 361               | 0                             | 0              | 0                | 0                    | 0                       | 361                |
| <b>sub-total (150)</b>                    | <b>15,315</b>     | <b>1,000</b>                  | <b>0</b>       | <b>0</b>         | <b>0</b>             | <b>0</b>                | <b>16,315</b>      |

## Financial Information

| FUND/FUNCTION                                   | Personal Services | Supplies Contractual Services | Capital Outlay | Debt Service | Capital Improvements | Operating Transfers Out | Total            |
|---|-------------------|-------------------------------|----------------|--------------|----------------------|-------------------------|------------------|
| <b>HETCH HETCHY GROUND LEASE (211)</b>          |                   |                               |                |              |                      |                         |                  |
| Non-Departmental.....                           | 0                 | 37,500                        | 0              | 0            | 0                    | 0                       | 37,500           |
| <b>sub-total (211)</b>                          | <b>0</b>          | <b>37,500</b>                 | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>0</b>                | <b>37,500</b>    |
| <b>PUBLIC ART FUND-NONRESTRICTED (213)</b>      |                   |                               |                |              |                      |                         |                  |
| Non-Departmental.....                           | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                |
| <b>sub-total (213)</b>                          | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>261,000</b>          | <b>261,000</b>   |
| <b>COMMUNITY PLANNING FEE FUND (214)</b>        |                   |                               |                |              |                      |                         |                  |
| Long Range Planning.....                        | 203,117           | 0                             | 0              | 0            | 0                    | 0                       | 203,117          |
| Planning.....                                   | 66,695            | 0                             | 0              | 0            | 0                    | 0                       | 66,695           |
| Non-Departmental.....                           | 6,956             | 0                             | 0              | 0            | 0                    | 0                       | 6,956            |
| Transfers Out.....                              | 0                 | 0                             | 0              | 0            | 0                    | 550,000                 | 550,000          |
| <b>sub-total (214)</b>                          | <b>276,768</b>    | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>550,000</b>          | <b>826,768</b>   |
| <b>AFFORDABLE HOUSING FUND (216)</b>            |                   |                               |                |              |                      |                         |                  |
| City Manager.....                               | 34,505            | 0                             | 0              | 0            | 0                    | 0                       | 34,505           |
| Building Safety and Housing Administration..... | 178,290           | 0                             | 0              | 0            | 0                    | 0                       | 178,290          |
| City Attorney.....                              | 0                 | 16,071                        | 0              | 0            | 0                    | 0                       | 16,071           |
| Housing and Neighborhood Svcs.....              | 369,014           | 0                             | 0              | 0            | 0                    | 0                       | 369,014          |
| Finance Operations.....                         | 94,862            | 0                             | 0              | 0            | 0                    | 0                       | 94,862           |
| <b>sub-total (216)</b>                          | <b>676,671</b>    | <b>16,071</b>                 | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>0</b>                | <b>692,742</b>   |
| <b>GAS TAX FUND (221)</b>                       |                   |                               |                |              |                      |                         |                  |
| Transfers Out.....                              | 0                 | 0                             | 0              | 0            | 0                    | 2,194,515               | 2,194,515        |
| <b>sub-total (221)</b>                          | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>2,194,515</b>        | <b>2,194,515</b> |
| <b>SB1 ROAD MAINT &amp; REHAB (225)</b>         |                   |                               |                |              |                      |                         |                  |
| Transfers Out.....                              | 0                 | 0                             | 0              | 0            | 0                    | 1,500,000               | 1,500,000        |
| <b>sub-total (225)</b>                          | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>1,500,000</b>        | <b>1,500,000</b> |
| <b>95-1 LIGHTING/LSCAPE DIST (235)</b>          |                   |                               |                |              |                      |                         |                  |
| Land Development.....                           | 400               | 102,650                       | 0              | 0            | 0                    | 0                       | 103,050          |
| Public Works Administration.....                | 6,237             | 0                             | 0              | 0            | 0                    | 0                       | 6,237            |
| Street Maintenance.....                         | 34,922            | 0                             | 0              | 0            | 0                    | 0                       | 34,922           |
| Trees & Landscape Mnt.....                      | 110,887           | 127,453                       | 0              | 0            | 0                    | 0                       | 238,340          |
| Transfers Out.....                              | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                |
| <b>sub-total (235)</b>                          | <b>152,446</b>    | <b>230,103</b>                | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>0</b>                | <b>382,549</b>   |

| FUND/FUNCTION                          | Personal Services | Supplies Contractual Services | Capital Outlay | Debt Service | Capital Improvements | Operating Transfers Out | Total            |
|--|-------------------|-------------------------------|----------------|--------------|----------------------|-------------------------|------------------|
| <b>98-1 LIGHTING/LSCAPE DIST (236)</b> |                   |                               |                |              |                      |                         |                  |
| Land Development.....                  | 400               | 4,250                         | 0              | 0            | 0                    | 0                       | 4,650            |
| Street Maintenance.....                | 427               | 0                             | 0              | 0            | 0                    | 0                       | 427              |
| Trees & Landscape Mnt.....             | 29,572            | 20,000                        | 0              | 0            | 0                    | 0                       | 49,572           |
| Transfers Out.....                     | 0                 | 0                             | 0              | 0            | 0                    | 4,000                   | 4,000            |
| <b>sub-total (236)</b>                 | <b>30,400</b>     | <b>24,250</b>                 | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>4,000</b>            | <b>58,650</b>    |
| <b>05 COMMUNITY FCLTY DIST (237)</b>   |                   |                               |                |              |                      |                         |                  |
| Park Maintenance.....                  | 0                 | 419,732                       | 0              | 0            | 0                    | 0                       | 419,732          |
| Public Works Administration.....       | 152,045           | 0                             | 0              | 0            | 0                    | 0                       | 152,045          |
| Street Maintenance.....                | 261,118           | 0                             | 0              | 0            | 0                    | 0                       | 261,118          |
| Trees & Landscape Mnt.....             | 521,587           | 80,074                        | 0              | 0            | 0                    | 0                       | 601,661          |
| Non-Departmental.....                  | 0                 | 4,829                         | 0              | 0            | 0                    | 0                       | 4,829            |
| <b>sub-total (237)</b>                 | <b>934,750</b>    | <b>504,635</b>                | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>0</b>                | <b>1,439,385</b> |
| <b>08 COMMUNITY FCLTY DIST (238)</b>   |                   |                               |                |              |                      |                         |                  |
| Park Maintenance.....                  | 0                 | 50,000                        | 0              | 0            | 0                    | 0                       | 50,000           |
| Non-Departmental.....                  | 0                 | 3,179                         | 0              | 0            | 0                    | 0                       | 3,179            |
| Transfers Out.....                     | 0                 | 0                             | 0              | 0            | 0                    | 2,410,000               | 2,410,000        |
| <b>sub-total (238)</b>                 | <b>0</b>          | <b>53,179</b>                 | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>2,410,000</b>        | <b>2,463,179</b> |
| <b>HCD FUND (250)</b>                  |                   |                               |                |              |                      |                         |                  |
| Housing and Neighborhood Services..... | 0                 | 608,734                       | 0              | 0            | 0                    | 0                       | 608,734          |
| Non-Departmental.....                  | 0                 | 7,000                         | 0              | 0            | 0                    | 0                       | 7,000            |
| <b>sub-total (250)</b>                 | <b>0</b>          | <b>615,734</b>                | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>0</b>                | <b>615,734</b>   |
| <b>STATE-ASSET SEIZURE (262)</b>       |                   |                               |                |              |                      |                         |                  |
| Investigations.....                    | 0                 | 0                             | 30,000         | 0            | 0                    | 0                       | 30,000           |
| <b>sub-total (262)</b>                 | <b>0</b>          | <b>0</b>                      | <b>30,000</b>  | <b>0</b>     | <b>0</b>             | <b>60,000</b>           | <b>90,000</b>    |
| <b>FEDERAL ASSET SEIZURE (263)</b>     |                   |                               |                |              |                      |                         |                  |
| Investigations.....                    | 0                 | 0                             | 30,000         | 0            | 0                    | 0                       | 30,000           |
| <b>sub-total (263)</b>                 | <b>0</b>          | <b>0</b>                      | <b>30,000</b>  | <b>0</b>     | <b>0</b>             | <b>60,000</b>           | <b>90,000</b>    |
| <b>SOLID WASTE SERVICES (280)</b>      |                   |                               |                |              |                      |                         |                  |
| Solid Waste.....                       | 553,369           | 278,600                       | 0              | 0            | 0                    | 0                       | 831,969          |
| Transfers Out.....                     | 0                 | 0                             | 0              | 0            | 0                    | 138,558                 | 138,558          |
| <b>sub-total (280)</b>                 | <b>553,369</b>    | <b>278,600</b>                | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>138,558</b>          | <b>970,527</b>   |

## Financial Information

| FUND/FUNCTION                          | Personal Services | Supplies Contractual Services | Capital Outlay | Debt Service | Capital Improvements | Operating Transfers Out | Total            |
|--|-------------------|-------------------------------|----------------|--------------|----------------------|-------------------------|------------------|
| <b>HOUSING AUTHORITY (295)</b>         |                   |                               |                |              |                      |                         |                  |
| Housing and Neighborhood Services..... | 224,164           | 635,200                       | 0              | 0            | 0                    | 0                       | 859,364          |
| 1432 S. Main Street Properties.....    | 0                 | 29,800                        | 0              | 0            | 0                    | 0                       | 29,800           |
| City Attorney.....                     | 0                 | 6,429                         | 0              | 0            | 0                    | 0                       | 6,429            |
| Non-Departmental.....                  | 0                 | 57,380                        | 0              | 0            | 0                    | 0                       | 57,380           |
| <b>sub-total (295)</b>                 | <b>224,164</b>    | <b>728,809</b>                | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>0</b>                | <b>952,973</b>   |
| <b>STREET IMPROVEMENT (310)</b>        |                   |                               |                |              |                      |                         |                  |
| Transfers Out.....                     | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                |
| <b>sub-total (310)</b>                 | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>0</b>                | <b>0</b>         |
| <b>STREET CIP (311)</b>                |                   |                               |                |              |                      |                         |                  |
| Capital Improvement Projects.....      | 0                 | 0                             | 0              | 0            | 4,450,000            | 0                       | 4,450,000        |
| Transfers Out.....                     | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                |
| <b>sub-total (311)</b>                 | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>4,450,000</b>     | <b>0</b>                | <b>4,450,000</b> |
| <b>VEHICLE REGISTRATION FEE (314)</b>  |                   |                               |                |              |                      |                         |                  |
| Transfers Out.....                     | 0                 | 0                             | 0              | 0            | 0                    | 764,432                 | 764,432          |
| <b>sub-total (314)</b>                 | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>764,432</b>          | <b>764,432</b>   |
| <b>PARK IMPROVEMENT FUND (320)</b>     |                   |                               |                |              |                      |                         |                  |
| Transfers Out.....                     | 0                 | 0                             | 0              | 0            | 0                    | 35,000                  | 35,000           |
| <b>sub-total (320)</b>                 | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>35,000</b>           | <b>35,000</b>    |
| <b>PARK IMPROVEMENT CIP (321)</b>      |                   |                               |                |              |                      |                         |                  |
| Capital Improvement Projects.....      | 0                 | 0                             | 0              | 0            | 135,000              | 0                       | 135,000          |
| Transfers Out.....                     | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                |
| <b>sub-total (321)</b>                 | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>135,000</b>       | <b>0</b>                | <b>135,000</b>   |
| <b>MIDTOWN PARK FUND (322)</b>         |                   |                               |                |              |                      |                         |                  |
| Transfers Out.....                     | 0                 | 0                             | 0              | 0            | 0                    | 450,000                 | 450,000          |
| <b>sub-total (322)</b>                 | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>450,000</b>          | <b>450,000</b>   |
| <b>GENERAL GOVERNMENT (330)</b>        |                   |                               |                |              |                      |                         |                  |
| Transfers Out.....                     | 0                 | 0                             | 0              | 0            | 0                    | 3,110,440               | 3,110,440        |
| <b>sub-total (330)</b>                 | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>3,110,440</b>        | <b>3,110,440</b> |

| FUND/FUNCTION                                 | Personal Services | Supplies Contractual Services | Capital Outlay | Debt Service | Capital Improvements | Operating Transfers Out | Total             |
|---|-------------------|-------------------------------|----------------|--------------|----------------------|-------------------------|-------------------|
| <b>GENERAL GOVERNMENT CIP (331)</b>           |                   |                               |                |              |                      |                         |                   |
| Capital Improvement Projects.....             | 0                 | 0                             | 0              | 0            | 5,715,000            | 0                       | 5,715,000         |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0            | 0                    | 264,432                 | 264,432           |
| <b>sub-total (331)</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>5,715,000</b>     | <b>264,432</b>          | <b>5,979,432</b>  |
| <b>2020 FIRE STATION BONDS (334)</b>          |                   |                               |                |              |                      |                         |                   |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                 |
| <b>sub-total (334)</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>0</b>                | <b>0</b>          |
| <b>STORM DRAIN DEVELOPMENT (340)</b>          |                   |                               |                |              |                      |                         |                   |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                 |
| <b>sub-total (340)</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>0</b>                | <b>0</b>          |
| <b>STORM DRAIN CIP (341)</b>                  |                   |                               |                |              |                      |                         |                   |
| Capital Improvement Projects.....             | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                 |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                 |
| <b>sub-total (341)</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>0</b>                | <b>0</b>          |
| <b>TRANSIT AREA IMPACT FEE FUND (350)</b>     |                   |                               |                |              |                      |                         |                   |
| Debt Service.....                             | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                 |
| City Attorney.....                            | 0                 | 15,429                        | 0              | 0            | 0                    | 0                       | 15,429            |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0            | 0                    | 3,478,000               | 3,478,000         |
| <b>sub-total (350)</b>                        | <b>0</b>          | <b>15,429</b>                 | <b>0</b>       | <b>0</b>     | <b>0</b>             | <b>3,478,000</b>        | <b>3,493,429</b>  |
| <b>TRANSIT AREA IMPACT FEE CIP FUND (351)</b> |                   |                               |                |              |                      |                         |                   |
| Capital Improvement Projects.....             | 0                 | 0                             | 0              | 0            | 3,400,000            | 0                       | 3,400,000         |
| <b>sub-total (351)</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>     | <b>3,400,000</b>     | <b>0</b>                | <b>3,400,000</b>  |
| <b>WATER M &amp; O FUND (400)</b>             |                   |                               |                |              |                      |                         |                   |
| Land Development.....                         | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                 |
| Finance Operations.....                       | 0                 | 0                             | 0              | 0            | 0                    | 0                       | 0                 |
| Fiscal Services-Utilities.....                | 761,432           | 253,412                       | 0              | 0            | 0                    | 0                       | 1,014,844         |
| Compliance.....                               | 179,798           | 55,520                        | 0              | 0            | 0                    | 0                       | 235,318           |
| City Attorney.....                            | 0                 | 7,071                         | 0              | 0            | 0                    | 0                       | 7,071             |
| Public Works Administration.....              | 674,971           | 197,285                       | 0              | 0            | 0                    | 0                       | 872,256           |
| Street Maintenance.....                       | 63,033            | 0                             | 0              | 0            | 0                    | 0                       | 63,033            |
| Utility Engineering.....                      | 592,644           | 171,060                       | 0              | 0            | 0                    | 0                       | 763,704           |
| Utility Maintenance.....                      | 1,544,344         | 622,784                       | 40,000         | 0            | 0                    | 0                       | 2,207,128         |
| Non-Departmental.....                         | 80,053            | 20,491,432                    | 0              | 0            | 0                    | 0                       | 20,571,485        |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0            | 0                    | 2,571,407               | 2,571,407         |
| <b>sub-total (400)</b>                        | <b>3,896,275</b>  | <b>21,798,564</b>             | <b>40,000</b>  | <b>0</b>     | <b>0</b>             | <b>2,571,407</b>        | <b>28,306,246</b> |

## Financial Information

| FUND/FUNCTION                                 | Personal Services | Supplies Contractual Services | Capital Outlay | Debt Service     | Capital Improvements | Operating Transfers Out | Total             |
|---|-------------------|-------------------------------|----------------|------------------|----------------------|-------------------------|-------------------|
| <b>WATER CIP (401)</b>                        |                   |                               |                |                  |                      |                         |                   |
| Capital Improvement Projects.....             | 0                 | 0                             | 0              | 0                | 2,090,000            | 0                       | 2,090,000         |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0                | 0                    | 0                       | 0                 |
| <b>sub-total (401)</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>         | <b>2,090,000</b>     | <b>0</b>                | <b>2,090,000</b>  |
| <b>WATER LINE EXTENSION FUND (402)</b>        |                   |                               |                |                  |                      |                         |                   |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0                | 0                    | 0                       | 0                 |
| <b>sub-total (402)</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>         | <b>0</b>             | <b>0</b>                | <b>0</b>          |
| <b>2019 WATER BONDS (403)</b>                 |                   |                               |                |                  |                      |                         |                   |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0                | 0                    | 0                       | 0                 |
| <b>sub-total (403)</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>         | <b>0</b>             | <b>0</b>                | <b>0</b>          |
| <b>WATER INFRASTRUCTURE REPLACEMENT (405)</b> |                   |                               |                |                  |                      |                         |                   |
| Debt Service.....                             | 0                 | 0                             | 0              | 1,044,050        | 0                    | 0                       | 1,044,050         |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0                | 0                    | 2,176,000               | 2,176,000         |
| <b>sub-total (405)</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>1,044,050</b> | <b>0</b>             | <b>2,176,000</b>        | <b>3,220,050</b>  |
| <b>SEWER M &amp; O FUND (450)</b>             |                   |                               |                |                  |                      |                         |                   |
| Fiscal Services-Utilities.....                | 405,695           | 180,567                       | 0              | 0                | 0                    | 0                       | 586,262           |
| Compliance.....                               | 113,239           | 68,920                        | 0              | 0                | 0                    | 0                       | 182,159           |
| Public Works Administration.....              | 577,498           | 34,555                        | 0              | 0                | 0                    | 0                       | 612,053           |
| Street Maintenance.....                       | 54,029            | 0                             | 0              | 0                | 0                    | 0                       | 54,029            |
| Utility Engineering.....                      | 444,839           | 102,150                       | 0              | 0                | 0                    | 0                       | 546,989           |
| Utility Maintenance.....                      | 1,023,635         | 343,462                       | 0              | 0                | 0                    | 0                       | 1,367,097         |
| Debt Service.....                             | 0                 | 0                             | 0              | 2,435,875        | 0                    | 0                       | 2,435,875         |
| Non-Departmental.....                         | 80,053            | 7,735,570                     | 0              | 0                | 0                    | 0                       | 7,815,623         |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0                | 0                    | 1,482,966               | 1,482,966         |
| <b>sub-total (450)</b>                        | <b>2,698,988</b>  | <b>8,465,224</b>              | <b>0</b>       | <b>2,435,875</b> | <b>0</b>             | <b>1,482,966</b>        | <b>15,083,053</b> |
| <b>SEWER CIP (451)</b>                        |                   |                               |                |                  |                      |                         |                   |
| Capital Improvement Projects.....             | 0                 | 0                             | 0              | 0                | 6,480,000            | 0                       | 6,480,000         |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0                | 0                    | 0                       | 0                 |
| <b>sub-total (451)</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>         | <b>6,480,000</b>     | <b>0</b>                | <b>6,480,000</b>  |
| <b>TREATMENT PLANT CONSTRUCTION (452)</b>     |                   |                               |                |                  |                      |                         |                   |
| Transfers Out.....                            | 0                 | 0                             | 0              | 0                | 0                    | 0                       | 0                 |
| <b>sub-total (452)</b>                        | <b>0</b>          | <b>0</b>                      | <b>0</b>       | <b>0</b>         | <b>0</b>             | <b>0</b>                | <b>0</b>          |



| FUND/FUNCTION                                 | Personal Services    | Supplies Contractual Services | Capital Outlay     | Debt Service       | Capital Improvements | Operating Transfers Out | Total                 |
|---|----------------------|-------------------------------|--------------------|--------------------|----------------------|-------------------------|-----------------------|
| <b>2019 WASTEWATER BONDS (454)</b>            |                      |                               |                    |                    |                      |                         |                       |
| Transfers Out.....                            | 0                    | 0                             | 0                  | 0                  | 0                    | 2,062,755               | 2,062,755             |
| <b>sub-total (454)</b>                        | <b>0</b>             | <b>0</b>                      | <b>0</b>           | <b>0</b>           | <b>0</b>             | <b>2,062,755</b>        | <b>2,062,755</b>      |
| <b>SEWER INFRASTRUCTURE REPLACEMENT (455)</b> |                      |                               |                    |                    |                      |                         |                       |
| Transfers Out.....                            | 0                    | 0                             | 0                  | 0                  | 0                    | 4,633,730               | 4,633,730             |
| <b>sub-total (455)</b>                        | <b>0</b>             | <b>0</b>                      | <b>0</b>           | <b>0</b>           | <b>0</b>             | <b>4,633,730</b>        | <b>4,633,730</b>      |
| <b>EQUIPMENT MGNT FUND (500)</b>              |                      |                               |                    |                    |                      |                         |                       |
| Compliance.....                               | 0                    | 10,000                        | 0                  | 0                  | 0                    | 0                       | 10,000                |
| Fleet Maintenance.....                        | 904,644              | 954,292                       | 0                  | 0                  | 0                    | 0                       | 1,858,936             |
| Public Works Administration.....              | 193,820              | 0                             | 0                  | 0                  | 0                    | 0                       | 193,820               |
| Equipment to be Depreciated.....              | 0                    | 0                             | 690,947            | 0                  | 0                    | 0                       | 690,947               |
| Non-Departmental.....                         | 0                    | 133,000                       | 0                  | 0                  | 0                    | 0                       | 133,000               |
| <b>sub-total (500)</b>                        | <b>1,098,464</b>     | <b>1,097,292</b>              | <b>690,947</b>     | <b>0</b>           | <b>0</b>             | <b>161,131</b>          | <b>3,047,834</b>      |
| <b>INFORMATION TECH REPLMT (505)</b>          |                      |                               |                    |                    |                      |                         |                       |
| Information Technology.....                   | 0                    | 0                             | 250,000            | 0                  | 0                    | 0                       | 250,000               |
| <b>sub-total (505)</b>                        | <b>0</b>             | <b>0</b>                      | <b>250,000</b>     | <b>0</b>           | <b>0</b>             | <b>0</b>                | <b>250,000</b>        |
| <b>PERMIT AUTOMATION FUND (506)</b>           |                      |                               |                    |                    |                      |                         |                       |
| Permit Center.....                            | 329,819              | 90,000                        | 0                  | 0                  | 0                    | 0                       | 419,819               |
| Plan Review.....                              | 0                    | 0                             | 0                  | 0                  | 0                    | 0                       | 0                     |
| Fire Prevention Administration.....           | 0                    | 16,000                        | 0                  | 0                  | 0                    | 0                       | 16,000                |
| Information Technology.....                   | 191,276              | 143,300                       | 0                  | 0                  | 0                    | 0                       | 334,576               |
| Transfers Out.....                            | 0                    | 0                             | 0                  | 0                  | 0                    | 50,000                  | 50,000                |
| <b>sub-total (506)</b>                        | <b>521,095</b>       | <b>249,300</b>                | <b>0</b>           | <b>0</b>           | <b>0</b>             | <b>50,000</b>           | <b>820,395</b>        |
| <b>TOTAL EXPENDITURES</b>                     | <b>99,422,102</b>    | <b>55,130,532</b>             | <b>1,040,947</b>   | <b>4,492,725</b>   | <b>22,270,000</b>    | <b>28,760,659</b>       | <b>211,116,965</b>    |
| Less Interfund Operating Transfers*           | 0                    | 0                             | 0                  | 0                  | 0                    | (16,672,304)            | (16,672,304)          |
| <b>TOTAL BUDGET SUMMARY</b>                   | <b>\$ 99,422,102</b> | <b>\$55,130,532</b>           | <b>\$1,040,947</b> | <b>\$4,492,725</b> | <b>\$ 22,270,000</b> | <b>\$12,088,355</b>     | <b>\$ 194,444,661</b> |
| <b>EXPENDITURES</b>                           |                      |                               |                    |                    |                      |                         |                       |

\*Interfund Operating Transfers are transfers within the same fund group on the Budget Summary

## Expenditures by Function

| Function  | General Fund <sup>(1)</sup> | Housing Authority | Water Fund <sup>(2)</sup> | Sewer Fund <sup>(3)</sup> | Other Funds <sup>(4)</sup> | Total      |
|---|-----------------------------|-------------------|---------------------------|---------------------------|----------------------------|------------|
| City Council.....                               | \$549,474                   | \$0               | \$0                       | \$0                       | \$0                        | \$549,474  |
| City Manager.....                               | 2,062,856                   | 0                 | 0                         | 0                         | 34,505                     | 2,097,361  |
| City Clerk.....                                 | 570,791                     | 0                 | 0                         | 0                         | 0                          | 570,791    |
| Economic Development.....                       | 895,807                     | 0                 | 0                         | 0                         | 0                          | 895,807    |
| City Attorney.....                              | 1,029,099                   | 6,429             | 7,071                     | 0                         | 31,500                     | 1,074,099  |
| Building Inspection.....                        | 2,260,895                   | 0                 | 0                         | 0                         | 0                          | 2,260,895  |
| Building Safety and Housing Administration..... | 678,862                     | 0                 | 0                         | 0                         | 178,290                    | 857,152    |
| Housing and Neighborhood Svcs.....              | 1,071,051                   | 859,364           | 0                         | 0                         | 977,748                    | 2,908,163  |
| Permit Center.....                              | 462,814                     | 0                 | 0                         | 0                         | 419,819                    | 882,633    |
| Plan Review.....                                | 1,360,132                   | 0                 | 0                         | 0                         | 0                          | 1,360,132  |
| Design & Construction.....                      | 1,158,233                   | 0                 | 0                         | 0                         | 0                          | 1,158,233  |
| Engineering Administration                      | 357,424                     | 0                 | 0                         | 0                         | 0                          | 357,424    |
| Land Development.....                           | 1,583,477                   | 0                 | 0                         | 0                         | 107,700                    | 1,691,177  |
| Traffic Engineering.....                        | 641,147                     | 0                 | 0                         | 0                         | 0                          | 641,147    |
| Finance Administration.....                     | 2,117,398                   | 0                 | 0                         | 0                         | 0                          | 2,117,398  |
| Finance Operations.....                         | 1,718,690                   | 0                 | 0                         | 0                         | 94,862                     | 1,813,552  |
| Fiscal Services-Utilities.....                  | 344,035                     | 0                 | 1,014,844                 | 586,262                   | 0                          | 1,945,141  |
| EMS Transport Services....                      | 68,627                      | 0                 | 0                         | 0                         | 0                          | 68,627     |
| Fire Administration.....                        | 1,972,718                   | 0                 | 0                         | 0                         | 0                          | 1,972,718  |
| Fire Prevention.....                            | 2,914,138                   | 0                 | 0                         | 0                         | 0                          | 2,914,138  |
| Fire Prevention Administration.....             | 728,956                     | 0                 | 0                         | 0                         | 16,000                     | 744,956    |
| Office of Emergency Management.....             | 244,243                     | 0                 | 0                         | 0                         | 0                          | 244,243    |
| Operations Division.....                        | 20,664,289                  | 0                 | 0                         | 0                         | 0                          | 20,664,289 |
| Human Resources.....                            | 1,865,271                   | 0                 | 0                         | 0                         | 0                          | 1,865,271  |
| Information Technology.....                     | 3,659,099                   | 0                 | 0                         | 0                         | 584,576                    | 4,243,675  |
| Long Range Planning.....                        | 35,844                      | 0                 | 0                         | 0                         | 203,117                    | 238,961    |
| Planning.....                                   | 1,676,503                   | 0                 | 0                         | 0                         | 66,694                     | 1,743,197  |
| Communications.....                             | 4,093,208                   | 0                 | 0                         | 0                         | 0                          | 4,093,208  |
| Community Relations.....                        | 878,718                     | 0                 | 0                         | 0                         | 0                          | 878,718    |
| Crossing Guards.....                            | 513,444                     | 0                 | 0                         | 0                         | 0                          | 513,444    |
| Investigations.....                             | 4,842,514                   | 0                 | 0                         | 0                         | 60,000                     | 4,902,514  |
| Patrol Services.....                            | 19,210,118                  | 0                 | 0                         | 0                         | 0                          | 19,210,118 |
| Personnel & Training .....                      | 546,825                     | 0                 | 0                         | 0                         | 0                          | 546,825    |
| Police Administration.....                      | 1,691,187                   | 0                 | 0                         | 0                         | 0                          | 1,691,187  |
| Records.....                                    | 1,559,043                   | 0                 | 0                         | 0                         | 0                          | 1,559,043  |
| Traffic.....                                    | 2,271,848                   | 0                 | 0                         | 0                         | 0                          | 2,271,848  |

| Function                            | General Fund <sup>(1)</sup> | Housing Authority | Water Fund <sup>(2)</sup> | Sewer Fund <sup>(3)</sup> | Other Funds <sup>(4)</sup> | Total                 |
|-------------------------------------|-----------------------------|-------------------|---------------------------|---------------------------|----------------------------|-----------------------|
| Compliance.....                     | 351,188                     | 0                 | 235,318                   | 182,159                   | 9,999                      | 778,664               |
| Facilities Maintenance.....         | 2,625,111                   | 0                 | 0                         | 0                         | 0                          | 2,625,111             |
| Fleet Maintenance.....              | 0                           | 0                 | 0                         | 0                         | 1,858,936                  | 1,858,936             |
| Park Maintenance.....               | 1,319,760                   | 0                 | 0                         | 0                         | 469,732                    | 1,789,492             |
| Public Works Administration.....    | 801,105                     | 0                 | 872,256                   | 612,053                   | 352,103                    | 2,637,517             |
| Solid Waste Services.....           | 64,000                      | 0                 | 0                         | 0                         | 831,969                    | 895,969               |
| Street Maintenance.....             | 1,649,317                   | 0                 | 63,033                    | 54,029                    | 296,467                    | 2,062,846             |
| Trees & Landscape Mnt....           | 1,286,434                   | 0                 | 0                         | 0                         | 889,574                    | 2,176,008             |
| Utility Engineering.....            | 0                           | 0                 | 763,704                   | 546,989                   | 0                          | 1,310,693             |
| Utility Maintenance.....            | 692,143                     | 0                 | 2,207,128                 | 1,367,097                 | 1                          | 4,266,369             |
| Aquatics.....                       | 399,081                     | 0                 | 0                         | 0                         | 0                          | 399,081               |
| General Classes.....                | 372,465                     | 0                 | 0                         | 0                         | 0                          | 372,465               |
| Marketing.....                      | 255,818                     | 0                 | 0                         | 0                         | 0                          | 255,818               |
| Performing Arts.....                | 79,900                      | 0                 | 0                         | 0                         | 0                          | 79,900                |
| Recreation Administration..         | 1,767,830                   | 0                 | 0                         | 0                         | 0                          | 1,767,830             |
| Senior Services.....                | 623,431                     | 0                 | 0                         | 0                         | 0                          | 623,431               |
| Social Services.....                | 168,504                     | 0                 | 0                         | 0                         | 0                          | 168,504               |
| Special Events.....                 | 173,631                     | 0                 | 0                         | 0                         | 0                          | 173,631               |
| Sports & Fitness .....              | 444,567                     | 0                 | 0                         | 0                         | 0                          | 444,567               |
| Youth Programs.....                 | 999,446                     | 0                 | 0                         | 0                         | 0                          | 999,446               |
| 1432 S. Main Street Properties..... | 0                           | 29,800            | 0                         | 0                         | 0                          | 29,800                |
| 1452 S. Main Street Properties..... | 61,000                      | 0                 | 0                         | 0                         | 0                          | 61,000                |
| Debt Service.....                   | 1,012,800                   | 0                 | 1,044,050                 | 2,435,875                 | 0                          | 4,492,725             |
| Equipment to be Depreciated.....    | 0                           | 0                 | 0                         | 0                         | 690,947                    | 690,947               |
| Non-Departmental.....               | 6,941,046                   | 57,380            | 20,571,485                | 7,815,623                 | 192,464                    | 35,577,998            |
| Capital Improvement Projects.....   | 0                           | 0                 | 2,090,000                 | 6,480,000                 | 13,700,000                 | 22,270,000            |
| Transfers Out*.....                 | 342,293                     | 0                 | 2,657,407                 | 1,699,451                 | 7,389,204                  | 12,088,355            |
| <b>TOTAL</b>                        | <b>\$ 110,729,648</b>       | <b>\$ 952,973</b> | <b>\$ 31,526,296</b>      | <b>\$ 21,779,538</b>      | <b>\$ 29,456,207</b>       | <b>\$ 194,444,661</b> |

\* Interfund Transfers Out are excluded from this schedule

- (1) General Fund Fund, Abandon Vehicle Abatement Fund, 1452 S. Main St Fund and administration funds of the former Redevelopment Agency.
- (2) Water Fund includes Water Maintenance & Operations Fund, 2019 Water Bonds Fund, Water CIP Fund, Water Line Extension Fund, and Water Infrastructure Replacement Fund.
- (3) Sewer Fund includes Sewer Maintenance & Operations Fund, 2019 Wastewater Bonds Fund, Sewer Fund CIP, Treatment Plant Construction Fund and Sewer Infrastructure replacement Fund.
- (4) Other Funds include Community Benefit Fund, Community Facility District Funds, Community Planning Fee Fund, Gas Tax Fund, Equipment Replacement Fund, Housing and Community Development Fund, Information Technology Replacement Fund, Law Enforcement Grant Funds, Light & Landscape Maintenance District Funds, Measure B Fund, Permit Automation Fund, Public Art Fund, Solid Waste Services Fund, Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund, and Transit Area Impact Fee Fund.

## Internal Cost Allocation

|   | DIRECT COST         |                     |                           |                    |
|---|---------------------|---------------------|---------------------------|--------------------|
| INDIRECT COSTS  | Police              | Fire                | Building Safety & Housing | Planning           |
| Legislation & Policy.....                               | \$33,592            | \$35,192            | \$10,398                  | \$87,980           |
| General Administration                                  |                     |                     | 0                         | 0                  |
| City Manager.....                                       | 493,426             | 465,593             | 291,268                   | 155,264            |
| City Clerk.....   | 70,799              | 57,394              | 13,690                    | 39,816             |
| City Attorney.....                                      | 334,956             | 190,919             | 38,865                    | 154,743            |
| Human Resources.....                                    | 639,551             | 421,292             | 141,361                   | 44,159             |
| Finance.....  | 1,044,572           | 769,031             | 181,406                   | 54,276             |
| Information Technology.....                             | 1,257,653           | 828,454             | 277,981                   | 86,838             |
| General Liability, Uncollectable<br>and Audit Fees..... | 566,705             | 425,857             | 93,136                    | 27,541             |
| Unanticipated Expenditures Reserve.....                 | 375,542             | 282,206             | 61,719                    | 18,251             |
| Facilities Maintenance.....                             | 572,447             | 404,896             | 37,916                    | 46,363             |
| Utilities.....  | 681,525             | 482,048             | 45,141                    | 55,198             |
| Building Occupancy.....                                 | 413,796             | 292,681             | 27,408                    | 33,514             |
| <b>TOTAL INDIRECT COSTS.....</b>                        | <b>6,604,000</b>    | <b>4,734,239</b>    | <b>1,246,688</b>          | <b>812,190</b>     |
| <b>TOTAL DIRECT COSTS.....</b>                          | <b>35,705,968</b>   | <b>26,831,700</b>   | <b>5,868,124</b>          | <b>1,735,238</b>   |
| <b>TOTAL COSTS.....</b>                                 | <b>\$42,309,968</b> | <b>\$31,565,939</b> | <b>\$7,114,812</b>        | <b>\$2,547,428</b> |
| <b>INDIRECT COST RATE.....</b>                          | <b>18.5%</b>        | <b>17.6%</b>        | <b>21.2%</b>              | <b>46.8%</b>       |

| PROGRAMS     |              |              |              |              |              |                      |
|--------------|--------------|--------------|--------------|--------------|--------------|----------------------|
| Public Works | Engineering  | Recreation   | Water        | Sewer        | Solid Waste  | TOTAL                |
| \$45,590     | \$237,545    | \$49,589     | \$35,992     | \$11,197     | \$2,399      | <b>\$549,474</b>     |
| 130,848      | 243,464      | 177,741      | 587,419      | 280,729      | 22,131       | <b>2,847,883</b>     |
| 28,818       | 105,827      | 29,436       | 54,770       | 26,655       | 2,331        | <b>429,534</b>       |
| 77,054       | 61,810       | 37,901       | 58,121       | 52,250       | 5,219        | <b>1,011,838</b>     |
| 102,810      | 121,819      | 105,323      | 108,505      | 71,823       | 15,227       | <b>1,771,871</b>     |
| 175,718      | 121,418      | 159,963      | 639,414      | 357,313      | 24,427       | <b>3,527,538</b>     |
| 202,173      | 239,553      | 207,114      | 213,372      | 141,236      | 29,944       | <b>3,484,318</b>     |
| 96,163       | 57,594       | 85,496       | 148,568      | 94,234       | 13,205       | <b>1,608,498</b>     |
| 63,725       | 38,166       | 56,656       | 66,439       | 46,258       | 8,750        | <b>1,017,711</b>     |
| 224,943      | 70,438       | 932,852      | 219,174      | 133,129      | 4,147        | <b>2,646,305</b>     |
| 267,806      | 83,859       | 1,110,604    | 260,937      | 158,496      | 4,937        | <b>3,150,552</b>     |
| 162,601      | 50,916       | 674,316      | 158,431      | 96,233       | 2,998        | <b>1,912,892</b>     |
| 1,597,449    | 1,455,159    | 3,646,660    | 2,571,405    | 1,482,966    | 138,559      | <b>26,690,360</b>    |
| 6,096,406    | 3,628,758    | 5,386,803    | 28,810,663   | 17,849,372   | 941,747      | <b>132,854,779</b>   |
| \$7,693,855  | \$5,083,917  | \$9,033,463  | \$31,382,068 | \$19,332,338 | \$1,080,306  | <b>\$159,545,139</b> |
| <b>26.2%</b> | <b>40.1%</b> | <b>67.7%</b> | <b>8.9%</b>  | <b>8.3%</b>  | <b>14.7%</b> | <b>18.3%</b>         |

## Operating Transfers Statement

| Origin and Purpose of Transfer   |  | Transfer Distribution |
|----------------------------------|--|-----------------------|
| From the General Fund            | To the Equipment Fund for:                                 |                       |
|                                  | IT Equipment Replacement                                   | 300,000               |
|                                  | <b>sub-total</b>   | <b>300,000</b>        |
| From the General Fund            | To the LLMD 95-1 Fund for:                                 |                       |
|                                  | General Benefit Contribution                               | 21,687                |
|                                  | <b>sub-total</b>   | <b>21,687</b>         |
| From the General Fund            | To the LLMD 98-1 Fund for:                                 |                       |
|                                  | General Benefit Contribution                               | 20,606                |
|                                  | <b>sub-total</b>   | <b>20,606</b>         |
| From the Public Art Fund         | To the General Government CIP for:                         |                       |
|                                  | Public Art Project (3489)                                  | 261,000               |
|                                  | <b>sub-total</b>   | <b>261,000</b>        |
| From the Community Planning Fund | To the General Government CIP for:                         |                       |
|                                  | Milpitas Gateway - Main Street Specific Plan Update (3437) | 350,000               |
|                                  | Comprehensive Zoning Ordinance Update (3460)               | 200,000               |
|                                  | <b>sub-total</b>   | <b>550,000</b>        |
| From the Gas Tax Fund            | To the Street CIP for:                                     |                       |
|                                  | ADA Curb Ramp Transition Program (4283)                    | 300,000               |
|                                  | SR237 HOV Lane Improvements (4294)                         | 100,000               |
|                                  | Street Pavement Restriping (4295)                          | 200,000               |
|                                  | Street Resurfacing Project 2021-22 (4303)                  | 985,568               |
|                                  | <b>sub-total</b>   | <b>1,585,568</b>      |
| From the Gas Tax Fund            | To the General Government CIP for:                         |                       |
|                                  | Annual Sidewalk, Curb & Gutter Repair (3426)               | 219,515               |
|                                  | Annual Street Light, Signal, and Signage (3440)            | 389,432               |
|                                  | <b>sub-total</b>   | <b>608,947</b>        |
| From the SB1 RMRA                | To the Street CIP for:                                     |                       |
|                                  | Street Resurfacing Project 2021-22 (4303)                  | 1,500,000             |
|                                  | <b>sub-total</b>   | <b>1,500,000</b>      |

Note: \*Interfund Transfers, within the same fund group, are not included in the Budget Summary.



## Origin and Purpose of Transfer

Transfer  
Distribution

|  |   |                  |
|--|---|------------------|
| From the 98-1 Light & Landscape Maint D  | To the General Government CIP for:<br>Sinclair LLMD Improvements 98-1 (3411)        | 4,000            |
|  | <b>sub-total</b>  | <b>4,000</b>     |
| From the 2008 Community Facility Dist    | To the General Fund for:<br>Operating Cost Reimbursement                            | 2,360,000        |
|  | <b>sub-total</b>  | <b>2,360,000</b> |
| From the 2008 Community Facility Dist    | To the General Government CIP for:<br>On-Call Parks and Landscaping Services (3463) | 50,000           |
|  | <b>sub-total</b>  | <b>50,000</b>    |
| From the State Asset Seizure Fund        | To the General Government CIP for:<br>Mobile Emergency Operations Center (3464)     | 60,000           |
|  | <b>sub-total</b>  | <b>60,000</b>    |
| From the Federal Asset Seizure Fund      | To the General Government CIP for:<br>Mobile Emergency Operations Center (3464)     | 60,000           |
|  | <b>sub-total</b>  | <b>60,000</b>    |
| From the Solid Waste Services Fund       | To the General Fund for:<br>Operating Cost Reimbursement                            | 138,558          |
|  | <b>sub-total</b>  | <b>138,558</b>   |
| From the Vehicle Registration Fee Fund * | To the Street CIP Fund for:<br>Street Resurfacing Project 2021-22 (4303)            | 764,432          |
|  | <b>sub-total</b>  | <b>764,432</b>   |
| From the Park Improvement Fund *         | To the Subsidiary CIP Fund for:<br>Minor Sports Courts Rehabilitation (5113)        | 35,000           |
|  | <b>sub-total</b>  | <b>35,000</b>    |
| From the Midtown Park Fund *             | To the Subsidiary CIP Fund for:<br>Sports Fields Turf Rehab. Program (5108)         | 100,000          |
|  | <b>sub-total</b>  | <b>100,000</b>   |
| From the Midtown Park Fund *             | To the General Government CIP for:<br>Citywide Park Rehabilitation (3424)           | 350,000          |
|  | <b>sub-total</b>  | <b>350,000</b>   |

Note: \*Interfund Transfers, within the same fund group, are not included in the Budget Summary.

| Origin and Purpose of Transfer            |  | Transfer Distribution |
|---|--|-----------------------|
| From the General Government *             | To the Subsidiary CIP Fund for:                            |                       |
|   | Fire Station Improvements (3403)                           | 250,000               |
|   | City Building Improvements (3406)                          | 500,000               |
|   | Technology Projects (3427)                                 | 350,000               |
|   | Annual Street Light, Signal, and Signage (3440)            | 250,000               |
|   | Public Safety/DPW Disaster Plan Update (3445)              | 150,000               |
|   | (Rmb) SCVWD Creek Projects (3452)                          | 250,000               |
|   | On-Call Facilities Maintenance & Repair Services (3462)    | 205,000               |
|   | On-Call Parks and Landscaping Services (3463)              | 70,000                |
|   | Mobile Emergency Operations Center (3464)                  | 850,440               |
|   | Capital Improvement Program Administration (3490)          | 135,000               |
|   | <b>sub-total</b>   | <b>3,010,440</b>      |
| From the General Government *             | To the Street CIP for:                                     |                       |
|   | Soundwall and Barrier Repair and Renovation Program (4267) | 100,000               |
|   | <b>sub-total</b>   | <b>100,000</b>        |
| From the General Government CIP *         | To the Vehicle Registration Fee Fund for:                  |                       |
|   | Defunding Annual Street Light, Signal, and Signage (3440)  | 264,432               |
|   | <b>sub-total</b>   | <b>264,432</b>        |
| From the Transit Area Impact Fee Fund *   | To the Subsidiary CIP Fund for:                            |                       |
|   | Milpitas Metro Specific Plan Update (TASP) (2006)          | 100,000               |
|   | S. Milpitas Blvd. Vehicle Bridge at Penitencia (2016)      | 3,300,000             |
|   | <b>sub-total</b>   | <b>3,400,000</b>      |
| From the Transit Area Impact Fee Fund *   | To the General Government CIP for:                         |                       |
|   | Capital Improvement Program Administration (3490)          | 78,000                |
|   | <b>sub-total</b>   | <b>78,000</b>         |
| From the Water M&O Fund                   | To the General Fund for:                                   |                       |
|   | Operating Cost Reimbursement                               | 2,571,407             |
|   | <b>sub-total</b>   | <b>2,571,407</b>      |
| From the Water Infrastructure Replacement | To the General Government CIP for:                         |                       |
|   | Capital Improvement Program Administration (3490)          | 86,000                |
|   | <b>sub-total</b>   | <b>86,000</b>         |

Note: \*Interfund Transfers, within the same fund group, are not included in the Budget Summary.

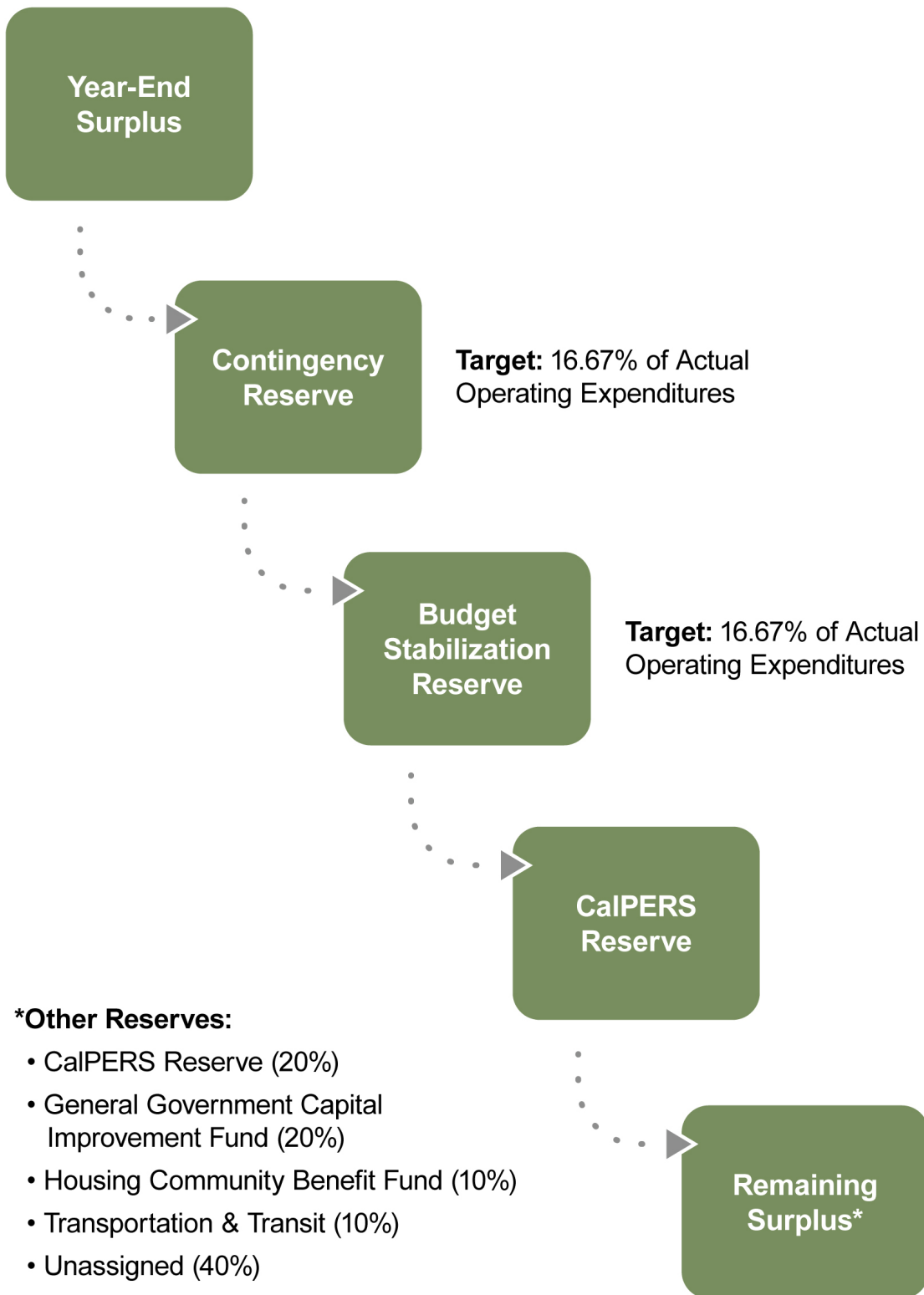
## Origin and Purpose of Transfer

Transfer  
Distribution

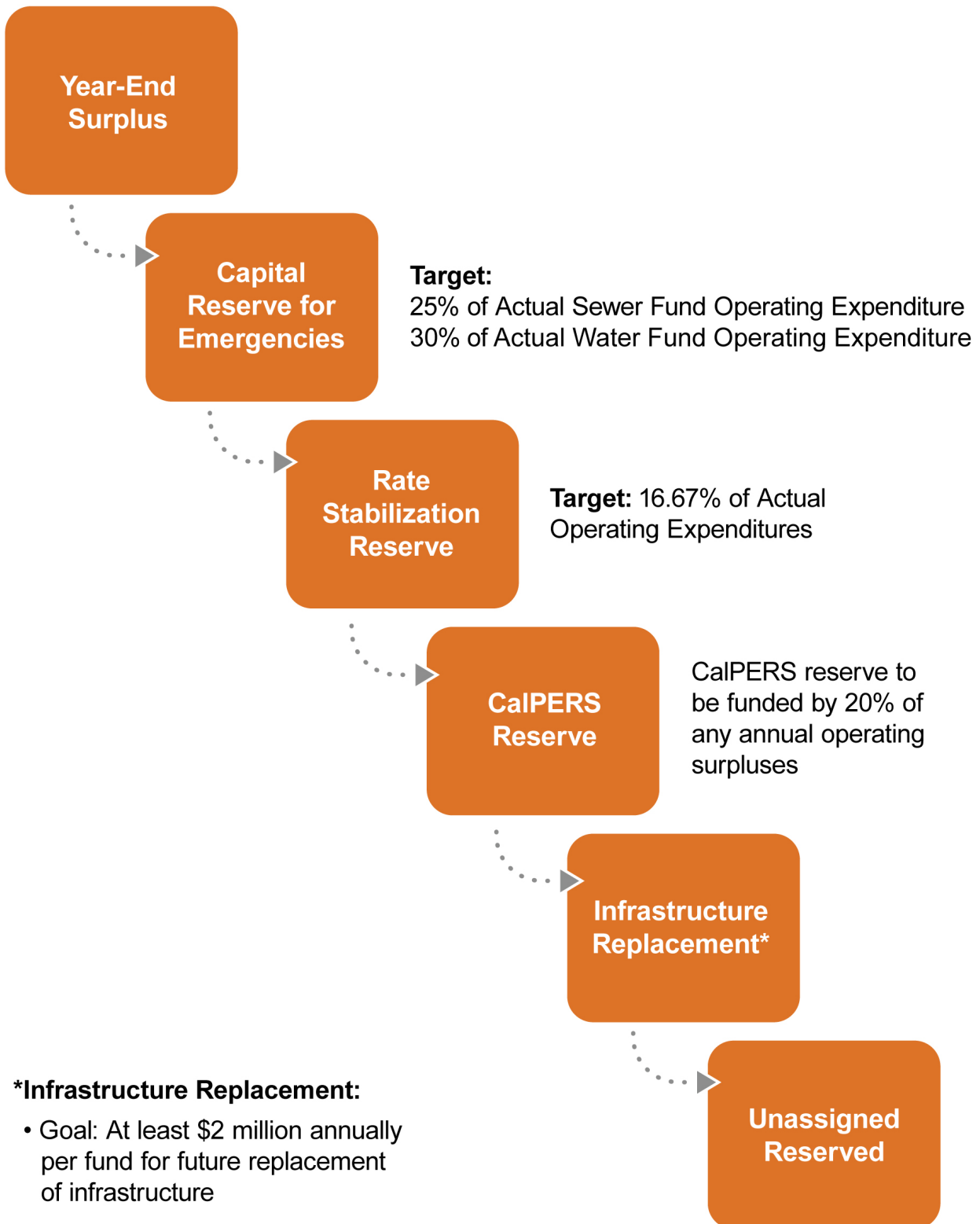
|   |  |                     |
|---|--|---------------------|
| From the Water Infrastructure Replacement * | To the Subsidiary CIP Fund for:                            |                     |
|   | Well Upgrade Project (7076)                                | 1,500,000           |
|   | Hydrant Replacement Program (7110)                         | 90,000              |
|   | Minor Water Projects (7133)                                | 350,000             |
|   | Water Leak Detection & Condition Assessment Program (7135) | 150,000             |
|   | <b>sub-total</b>   | <b>2,090,000</b>    |
| From the Sewer M & O Fund                   | To the General Fund for:                                   |                     |
|   | Operating Cost Reimbursement                               | 1,482,966           |
|   | <b>sub-total</b>   | <b>1,482,966</b>    |
| From the 2019 Wastewater Bonds Fund *       | To the Subsidiary CIP Fund for:                            |                     |
|   | SJ/SC Regional Waste Water Facility (6118)                 | 2,062,755           |
|   | <b>sub-total</b>   | <b>2,062,755</b>    |
| From the Sewer Infrastructure Replacement   | To the General Government CIP for:                         |                     |
|   | Annual Sidewalk, Curb & Gutter Repair (3426)               | 130,485             |
|   | Capital Improvement Program Administration (3490)          | 86,000              |
|   | <b>sub-total</b>   | <b>216,485</b>      |
| From the Sewer Infrastructure Replacement * | To the Subsidiary CIP Fund for:                            |                     |
|   | SJ/SC Regional Waste Water Facility (6118)                 | 3,667,245           |
|   | Sewer Pump Station Rehab. Program (6124)                   | 100,000             |
|   | Minor Sewer Projects (6126)                                | 50,000              |
|   | Sanitary Sewer Cathodic Protection Imprv. (6131)           | 600,000             |
|   | <b>sub-total</b>   | <b>4,417,245</b>    |
| From the Equipment Replacement Fund         | To the General Government CIP for:                         |                     |
|   | Mobile Emergency Operations Center (3464)                  | 161,131             |
|   | <b>sub-total</b>   | <b>161,131</b>      |
| From the Permit Automation Fund             | To the General Government CIP for:                         |                     |
|   | Technology Projects (3427)                                 | 50,000              |
|   | <b>sub-total</b>   | <b>50,000</b>       |
| <b>TOTAL TRANSFERS</b>                      |  | <b>\$28,760,659</b> |

Note: \*Interfund Transfers, within the same fund group, are not included in the Budget Summary.

## General Fund Reserve Allocation



## Utility Funds Reserve Allocation



## Fund Reserves Summary

|  | *General Fund<br>Estimated Reserve<br>Ending Balance<br>6/30/2022 | ** Water Fund<br>Estimated Reserve<br>Ending Balance<br>6/30/2022 | **Sewer Fund<br>Estimated Reserve<br>Ending Balance<br>6/30/2022 |
|--|---|---|--|
| Contingency Reserve                            | 17.30   |   |  |
| Budget (Rate) Stabilization Reserve            | 12.61   | 4.70  | 2.90   |
| Future Deficit Reserve                         | 1.45  |   |  |
| <b>Total Unassigned Reserve</b>                | <b>31.36</b>  | <b>4.70</b>   | <b>2.90</b>  |
| <b>Committed Reserves</b>                      |   |   |  |
| Capital Reserve                                | 0.00  | 8.50  | 4.40   |
| Artificial Turf                                | 1.21  |   |  |
| Facilities Replacement Fund                    | 7.00  |   |  |
| PERS Stabilization                             | 33.90   | 0.60  | 0.70   |
| Workers' Compensation                          | 2.00  |   |  |
| Technology Replacement Reserve                 | 2.00  |   |  |
| <b>Total Committed General Fund Reserves</b>   | <b>46.11</b>  | <b>9.10</b>   | <b>5.10</b>  |
| <b>Total Unassigned and Committed Reserves</b> | <b>77.47</b>  | <b>13.80</b>  | <b>8.00</b>  |

\*Any savings from Workers' Compensation expenditures may be allocated to the Workers' Compensation Reserve

\*\*Water Fund only includes 400, Sewer Fund only includes 450, does not include CIP reserves



# City Council

**Mayor:** Rich Tran

## Mission Statement

The City Council serves as the informed, legislative governing body of the City on all issues, provides guidance in assessing the needs of the community and policy direction for the development of programs and provision of services to the Milpitas community.

## Description

The City has a Council/Manager form of government. The Council sets policy and approves the budget, contracts, and programs.



## Services

- Serves as governing body of the City.
- Provides legislative direction to the City.
- Promulgates policies for provision of services and direction for the City.
- Enacts ordinances and resolutions necessary for governing the affairs of the City.
- Adopts the Annual Operating Budget and Five-Year Capital Improvement Program.
- Serves as City Representatives at public events and functions.



## Council Priority Areas



**Community Wellness  
and Open Space**



**Economic  
Development and  
Job Growth**



**Environment**



**Governance and  
Administration**










**Neighborhoods  
and Housing**










**Public Safety**



**Transportation  
and Transit**

| Accomplishments |   | Community Wellness and Open Space   | Economic Development and Job Growth   | Environment  | Governance & Administration   | Neighborhoods and Housing   | Public Safety   | Transportation and Transit  |
|-----------------|---|---|---|--|---|---|---|---|
|                 |   |  |  |  |  |  |  |  |
| 1.              | Mask Mandate (first City in Santa Clara County)   | ✓   |   |  |   | ✓   | ✓   |   |
| 2.              | Milpitas COVID-19 Testing sites   | ✓   |   |  |   | ✓   | ✓   |   |
| 3.              | Authorized Community Assistance during the Pandemic (e.g.: food distribution, rent relief program, small business grants) | ✓   | ✓   |  | ✓   | ✓   |   |   |
| 4.              | General Plan Adoption   | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 5.              | FY2020-21 Budget Adoption   | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |

| Initiatives |  |  |  |  |  |  |  |  |
|-------------|--|---|---|--|---|---|---|---|
| 1.          | Supporting implementation of a Milpitas Mobile Vaccination Program                     | ✓   |   |  |   | ✓   | ✓   |   |
| 2.          | Assisting Small Businesses   | ✓   | ✓   |  | ✓   |   |   |   |
| 3.          | Investing American Rescue Plan Act funds strategically                                 | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 4.          | Adopting long-term infrastructure and utility strategies                               | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 5.          | Enhancing Transportation and Transit Connectivity Options                              | ✓   | ✓   | ✓  |   | ✓   | ✓   | ✓   |
| 6.          | Continue to support policies and programs that promote equity, inclusion and diversity | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |

# Budget Summary

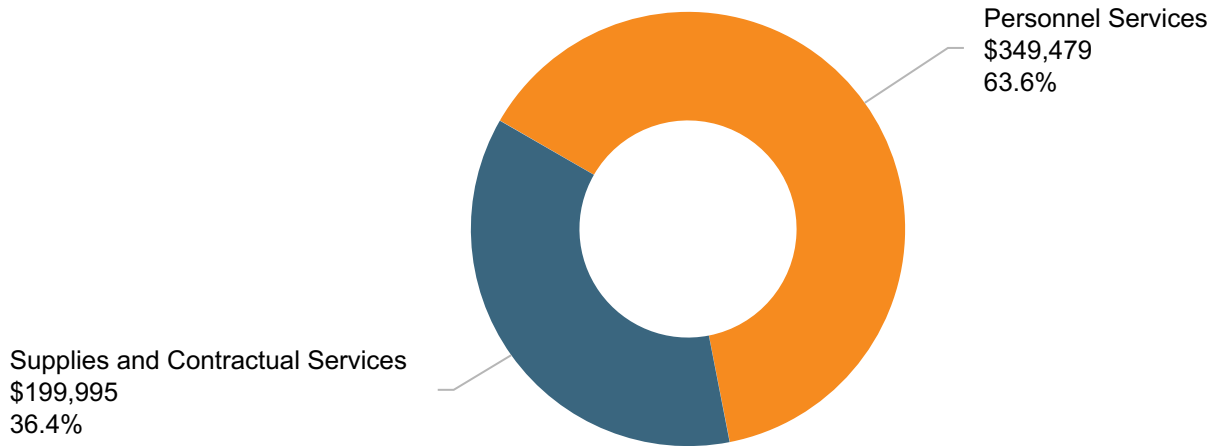
| DOLLARS BY CATEGORY                      |                                     | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|--|-------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>                |                                     |                   |                   |                    |                     |                      |                     |
| 4111                                     | Permanent Salaries                  | \$57,039          | \$60,199          | \$59,258           | \$67,844            | \$8,586              | 14.5%               |
| 4112                                     | Temporary Salaries                  | 2,925             | 10,360            | 144,728            | 144,728             | 0                    | 0.0%                |
| 4121                                     | Allowances                          | 37,033            | 37,883            | 37,560             | 38,700              | 1,140                | 3.0%                |
| 4131                                     | PERS                                | 13,022            | 14,966            | 11,773             | 13,762              | 1,989                | 16.9%               |
| 4132                                     | Group Insurance                     | 90,482            | 83,639            | 79,752             | 77,042              | (2,710)              | (3.4)%              |
| 4133                                     | Medicare                            | 1,452             | 1,456             | 2,128              | 2,269               | 141                  | 6.6%                |
| 4135                                     | Worker's Compensation               | 274               | 702               | 2,395              | 2,438               | 43                   | 1.8%                |
| 4139                                     | PARS                                | 173               | 185               | 2,171              | 2,171               | 0                    | 0.0%                |
| 4146                                     | Short Term Disability               | 0                 | 0                 | 252                | 252                 | 0                    | 0.0%                |
| 4161                                     | Retiree Medical Reserve             | 2,844             | 6,888             | 1,467              | 273                 | (1,194)              | (81.4)%             |
| sub-total                                |                                     | 205,244           | 218,958           | 341,484            | 349,479             | 7,995                | 2.3%                |
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b> |                                     |                   |                   |                    |                     |                      |                     |
| 4200                                     | Community Promotion, Grant/<br>Loan | 520,468           | 14,354            | 42,500             | 37,500              | (5,000)              | (11.8)%             |
| 4220                                     | Supplies                            | 3,860             | 1,127             | 11,000             | 11,000              | 0                    | 0.0%                |
| 4230                                     | Services                            | 3,286             | 18,161            | 31,600             | 31,600              | 0                    | 0.0%                |
| 4500                                     | Training, Travel, &<br>Memberships  | 90,759            | 79,933            | 108,395            | 107,895             | (500)                | (0.5)%              |
| 4520                                     | Commissions & Boards                | 5,986             | 763               | 12,000             | 12,000              | 0                    | 0.0%                |
| sub-total                                |                                     | 624,359           | 114,338           | 205,495            | 199,995             | (5,500)              | (2.7)%              |
| TOTAL                                    |                                     | \$829,603         | \$333,296         | \$546,979          | \$549,474           | \$2,495              | 0.5%                |

## Staffing\*

| POSITIONS              | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| City Council           | 4.00               | 4.00               | 4.00               | 4.00               | 0.00              |
| Mayor                  | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| <b>Total Positions</b> | <b>5.00</b>        | <b>5.00</b>        | <b>5.00</b>        | <b>5.00</b>        | <b>0.00</b>       |

\*Funding for 5 interns (2.5 Temporary FTEs) included in the City Council budget.

## Expenditures by Category



## Budget Reconciliation

|   | Positions | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|-----------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>                                | 5.00      | \$546,979                 | \$0                     | \$546,979             |
| <b>Adjustments to Costs of Ongoing Activities</b>       |           |                           |                         |                       |
| Salary and Benefits                                     |           | 7,995                     |                         | 7,995                 |
| Non-Personnel Expenditure Alignment to Historical Trend |           | (5,500)                   |                         | (5,500)               |
| <b>Adjustments to Costs of Ongoing Activities</b>       | 0         | 2,495                     | 0                       | 2,495                 |
| <b>Total FY 2021-22 Budget</b>                          | 5.00      | \$549,474                 | \$0                     | \$549,474             |





# City Manager

**City Manager:** Steven G. McHarris

## Mission Statement

The City Manager's Office is responsible for implementing and supporting City Council direction, managing day-to-day operations of the City, and providing leadership and professional management to the organization.

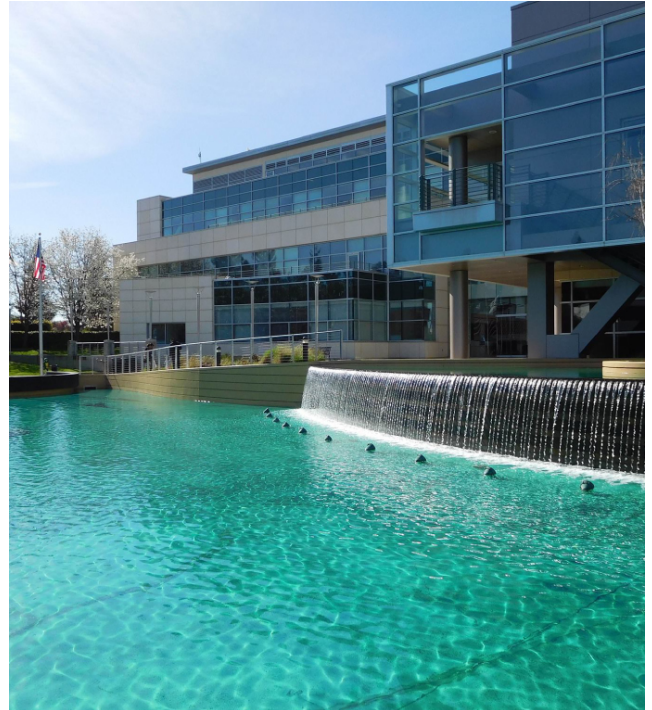
## Description

This function provides the administration of City government in an efficient and effective manner according to the general policy guidelines of the City Council and recommends strategies and solutions to issues for Council consideration.

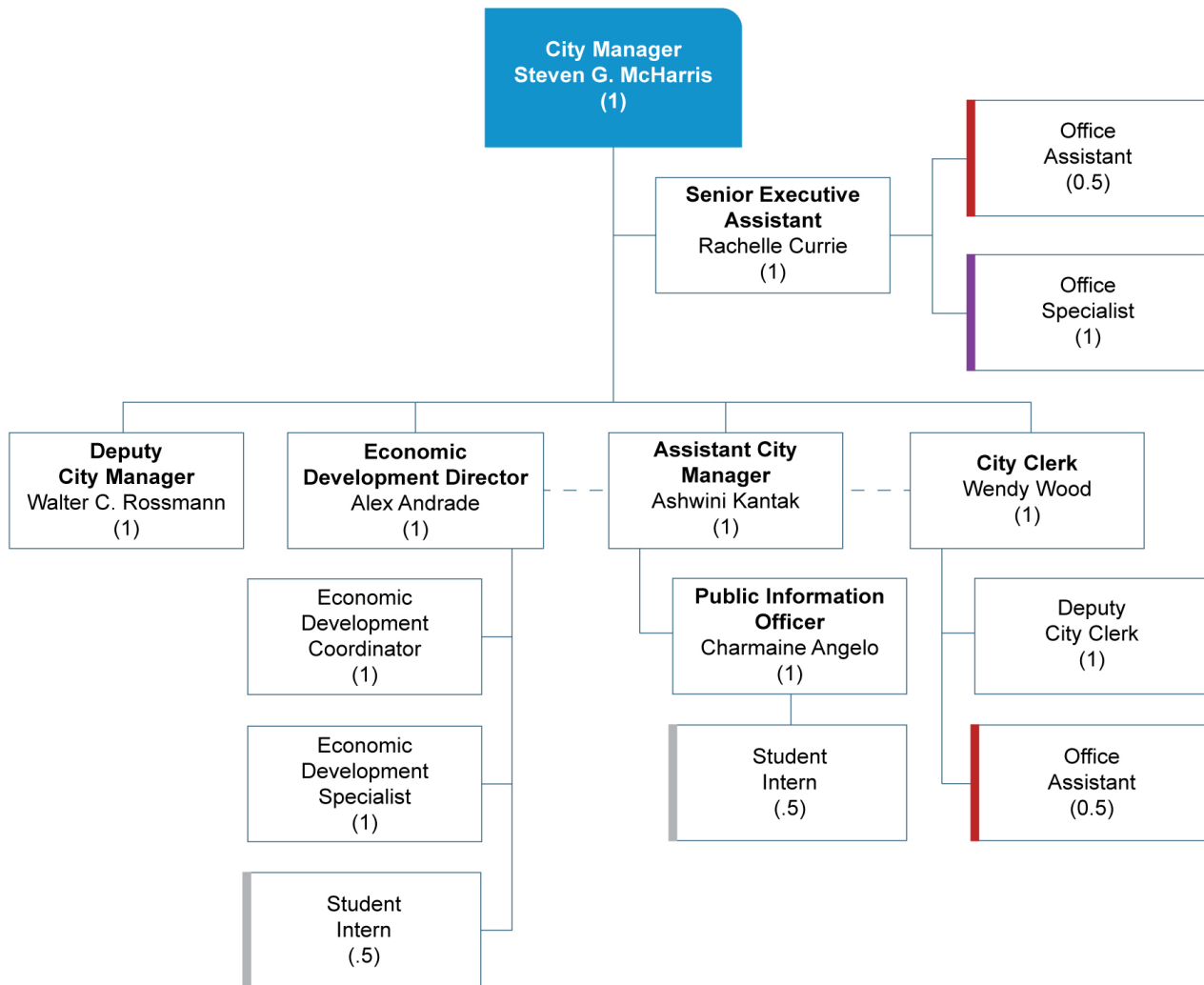


### Services








- Provides professional expertise and support to the City Council in formulation, interpretation and application of public policy to achieve community goals and objectives.
- Implements the City Council approved policies.
- Ensures the delivery of services to the Milpitas community in an effective and efficient manner.
- Administers the operations of City government.
- Advances organizational vision, determines organizational accountability, goals, and organizational capacity.
- Provides strong leadership and ensures timely dissemination of critical information to the community during times of emergency.
- Submits for adoption a balanced budget that identifies all the anticipated revenues and expenditures.
- Communicates with the City's diverse community about services, programs, and policies.
- Responds to inquiries from Milpitas residents and businesses, external agencies, customers, and other interested parties.
- Follows legislative activities of federal, state, regional and local political bodies and keeps Council apprised of the potential impact to the City.



# City Manager









|               |      |
|---------------|------|
| Permanent FTE | (11) |
| Temporary FTE | (1)  |
| New FY 21-22  |      |
| Move          |      |
| Reclass       |      |
| Temp          |      |
| Defunded      |      |






| Accomplishments |  | Community Wellness and Open Space   | Economic Development and Job Growth   | Environment  | Governance & Administration   | Neighborhoods and Housing   | Public Safety   | Transportation and Transit  |
|-----------------|--|---|---|--|---|---|---|---|
|                 |  |  |  |  |  |  |  |  |
| 1.              | EOC Lead and Management during COVID-19                  | ✓   |   |  | ✓   | ✓   | ✓   |   |
| 2.              | Began Fire Station No. 2 Construction                    | ✓   |   |  | ✓   |   | ✓   |   |
| 3.              | Proposed a Balanced FY2020-21 Budget                     |   |   |  | ✓   |   |   |   |
| 4.              | Completed Successful Appointments of Executive Positions |   |   |  | ✓   |   |   |   |
| 5.              | Vaccination Site Partnership                             | ✓   |   |  | ✓   |   |   |   |
| 6.              | Adoption of 2040 General Plan                            | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |

| Initiatives |   |  |  |  |  |  |  |  |
|-------------|---|---|---|--|---|---|---|---|
| 1.          | Emergency Management Program Implementation           | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 2.          | Parks & Recreation and Trails & Bikeways Master Plans | ✓   |   | ✓  |   |   |   | ✓   |
| 3.          | Water, Sewer, Storm Master Plans                      | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   |   |
| 4.          | Affordable Housing & Homelessness                     |   |   |  | ✓   | ✓   |   |   |
| 5.          | Initiated Climate Action Plan Update                  | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 6.          | Economic Development Strategy Implementation          |   | ✓   |  | ✓   |   |   |   |



## Performance and Workload Measures

| PERFORMANCE MEASURES  | Strategic Goal  | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Residents that are satisfied or very satisfied with the quality of City services *  |  | N/A             | 76%             | 75%             | 79%               | 75%             |
| Residents contacting the City who say they are satisfied or very satisfied with the timeliness, courtesy and competency of City employees * |  | N/A             | 76%             | 80%             | 77%               | 80%             |
| Employees who feel their work is valued by the City **  |  | N/A             | 67%             | 70%             | N/A               | 70%             |
| Employees who feel safe at work **  |  | N/A             | 75%             | 90%             | N/A               | 90%             |
| Employees receiving timely annual performance appraisals  |  | N/A             | N/A             | 90%             | N/A               | 90%             |
| Number of social media campaigns  |  | N/A             | 12              | 20              | 13                | 20              |

| ACTIVITY AND WORKLOAD DATA  | Strategic Goal  | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| City Council agenda items   |  | 454             | 494             | 450             | 457               | 450             |
| Information Memos published <sup>1</sup>  |  | 13              | 38              | 26              | 92                | 26              |
| City Manager Weekly Reports <sup>2</sup>  |  | 44              | 43              | 26              | 13                | 26              |
| Press Releases <sup>3</sup>   |  | 19              | 33              | 20              | 17                | 20              |
| Communications to all employees <sup>4</sup><br>(emails, newsletters, town hall meetings) |  | 7               | 87              | 30              | 86                | 30              |

\* Source: 2019 Community Survey

\*\* Source: 2018-2019 Employee Pulse Survey

\*\*\* Items related to COVID-19 pandemic

1 - 36 items related to COVID-19 pandemic in FY 19-20

2 - moved to bi-weekly City Manager reports in August 2019

3 - 6 items related to COVID-19 pandemic in FY 19-20

## Budget Summary

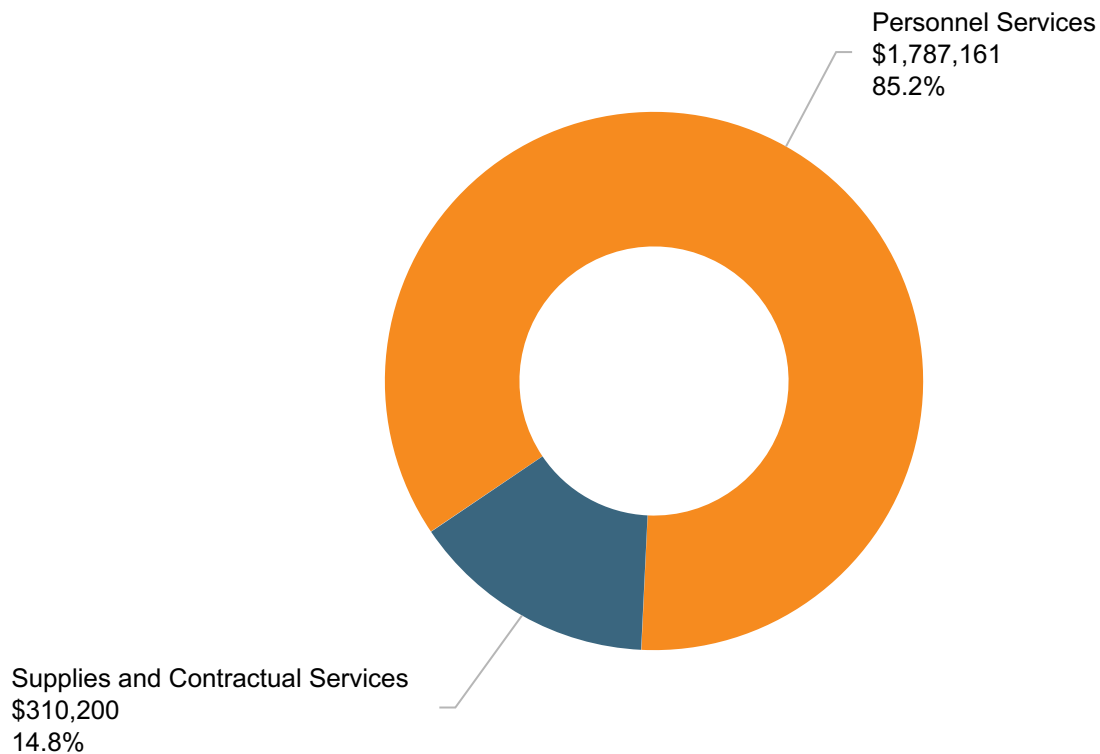
| DOLLARS BY CATEGORY                      |                                     | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|--|-------------------------------------|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>                |                                     |                    |                    |                    |                     |                      |                     |
| 4111                                     | Permanent Salaries                  | \$986,345          | \$896,147          | \$1,204,932        | \$1,204,273         | (\$659)              | (0.1)%              |
| 4112                                     | Temporary Salaries                  | 1,872              | 203,635            | 262,684            | 17,362              | (245,322)            | (93.4)%             |
| 4113                                     | Overtime                            | 6,581              | 60,588             | 0                  | 0                   | 0                    | 0.0%                |
| 4121                                     | Allowances                          | 6,346              | 16,556             | 19,800             | 19,532              | (268)                | (1.4)%              |
| 4124                                     | Leave Cashout                       | 193,479            | 60,256             | 0                  | 0                   | 0                    | 0.0%                |
| 4131                                     | PERS                                | 369,139            | 381,793            | 448,805            | 385,227             | (63,578)             | (14.2)%             |
| 4132                                     | Group Insurance                     | 77,566             | 106,620            | 121,308            | 88,709              | (32,599)             | (26.9)%             |
| 4133                                     | Medicare                            | 17,320             | 17,742             | 21,567             | 18,266              | (3,301)              | (15.3)%             |
| 4135                                     | Worker's Compensation               | 1,864              | (3,676)            | 7,260              | 6,118               | (1,142)              | (15.7)%             |
| 4138                                     | Deferred Comp-Employer              | 3,122              | 6,774              | 24,500             | 38,516              | 14,016               | 57.2%               |
| 4139                                     | PARS                                | 30,141             | 1,750              | 539                | 539                 | 0                    | 0.0%                |
| 4146                                     | Short Term Disability               | 0                  | 0                  | 504                | 470                 | (34)                 | (6.7)%              |
| 4161                                     | Retiree Medical Reserve             | 51,852             | 55,704             | 48,318             | 8,149               | (40,169)             | (83.1)%             |
| <b>sub-total</b>                         |                                     | <b>1,745,627</b>   | <b>1,803,889</b>   | <b>2,160,217</b>   | <b>1,787,161</b>    | <b>(373,056)</b>     | <b>(17.3)%</b>      |
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b> |                                     |                    |                    |                    |                     |                      |                     |
| 4200                                     | Community Promotion, Grant/<br>Loan | 11,498             | 15,009             | 23,675             | 25,000              | 1,325                | 5.6%                |
| 4210                                     | Department Allocations              | 0                  | 0                  | 0                  | 0                   | 0                    | 0.0%                |
| 4220                                     | Supplies                            | 22,876             | 5,704              | 10,500             | 8,200               | (2,300)              | (21.9)%             |
| 4230                                     | Services                            | 168,197            | 141,760            | 250,000            | 250,000             | 0                    | 0.0%                |
| 4500                                     | Training, Travel, &<br>Memberships  | 27,220             | 25,686             | 26,025             | 27,000              | 975                  | 3.7%                |
| <b>sub-total</b>                         |                                     | <b>229,791</b>     | <b>188,159</b>     | <b>310,200</b>     | <b>310,200</b>      | <b>0</b>             | <b>0.0%</b>         |
| <b>TOTAL</b>                             |                                     | <b>\$1,975,418</b> | <b>\$1,992,048</b> | <b>\$2,470,417</b> | <b>\$2,097,361</b>  | <b>(\$373,056)</b>   | <b>(15.1)%</b>      |

## Staffing

| POSITIONS                  | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|----------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Assistant City Manager     | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| City Manager               | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Deputy City Manager        | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Executive Assistant        | 1.00               | 1.00               | 0.00               | 0.00               | 0.00              |
| Office Specialist*         | 0.00               | 1.00               | 1.00               | 0.00               | (1.00)            |
| Office Assistant II*       | 0.00               | 0.00               | 0.00               | 0.50               | 0.50              |
| Public Information Officer | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Senior Executive Assistant | 0.00               | 0.00               | 1.00               | 1.00               | 0.00              |
| <b>Total Positions</b>     | <b>3.00</b>        | <b>6.00</b>        | <b>6.00</b>        | <b>5.50</b>        | <b>(0.50)</b>     |

\*1.0 Office Specialist is defunded, 0.5 Office Assistant II from City Clerk is transferred over for administrative support.

## Expenditures by Category








## Budget Reconciliation

|   | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>  | <b>6.00</b>   | <b>\$2,436,753</b>        | <b>\$33,664</b>         | <b>\$2,470,417</b>    |
| <b>Adjustments to Costs of Ongoing Activities</b>   |               |                           |                         |                       |
| Salary and Benefits   |               | 26,872                    | 841                     | 27,713                |
| Grant Writer Two-Year Term-Limited Position Elimination   |               | (180,172)                 |                         | (180,172)             |
| Management Fellow Two-Year Term-Limited Position Elimination  |               | (126,682)                 |                         | (126,682)             |
| Intern Defunding (Council Approval 02/16/2021)  |               | (18,602)                  |                         | (18,602)              |
| <b>Adjustments to Costs of Ongoing Activities</b>   | <b>0.00</b>   | <b>(298,584)</b>          | <b>841</b>              | <b>(297,743)</b>      |
| <b>Total FY2021-22 Base Budget</b>  | <b>6.00</b>   | <b>2,138,169</b>          | <b>34,505</b>           | <b>2,172,674</b>      |
| <b>Service Level Changes</b>  |               |                           |                         |                       |
| Administrative Support Reorganization - City Manager's Office (Add 0.5 Office Assistant II and Defund 1.0 Office Specialist II) | (0.50)        | (75,313)                  |                         | (75,313)              |
| <b>Total Service Level Changes</b>  | <b>(0.50)</b> | <b>(75,313)</b>           | <b>0</b>                | <b>(75,313)</b>       |
| <b>Total FY 2021-22 Budget</b>  | <b>5.50</b>   | <b>\$2,062,856</b>        | <b>\$34,505</b>         | <b>\$2,097,361</b>    |

\*Office Specialist is defunded, 0.5 Office Assistant II from City Clerk is transferred over for administrative support.

## Service Level Changes

|   |   | Positions   | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---|---|---------------------------|-------------------------|-----------------------|
| 1.  | <b>Administrative Support Reorganization - City Manager's Office</b>  | (0.50)  | (\$75,313)                | \$0                     | (\$75,313)            |
|  | <p>This action defunds 1.0 Office Specialist position in the City Manager's Office (CMO) and transfers 0.5 FTE Office Assistant II from the City Clerk's Office (CCO). This position is recommended for reduction in the City Manager's Office as part of a broader reorganization of administrative functions in the City Attorney (CAO), City Clerk (CCO) and City Manager's Offices (CMO) . The Office Specialist position assists the Sr. Executive Assistant position with general office management and support of the City Council and City Manager's executive staff. To mitigate this reduction, 0.5 Office Assistant II position will be reassigned from CCO to CMO, which is possible with the elimination of passport services. As the CCO will be taking on the lead for PRA coordination, formatting of resolutions and ordinances and records management, this staffing model may not be sustainable in the long term but can be accommodated in the short term.</p> |   |                           |                         |                       |
|   | <b>Performance Impact</b>   |   |                           |                         |                       |
|   | <p>Through the allocation of the 0.5 Office Assistant II position, sufficient staff capacity will be available to support the City Council and City Manager's staff most of the time and work will be prioritized as needed.</p>  |   |                           |                         |                       |
|   | <b>Mitigation</b>   |   |                           |                         |                       |
|   | <p>Depending on the workload in the City Clerk's Office and City Manager's Office, tasks will have to be prioritized and there may be delays in responses to the City Council and City Manager's staff.</p>   |   |                           |                         |                       |
| <b>Total Service Level Changes</b>  |   | (0.50)  | (\$75,313)                | \$0                     | (\$75,313)            |



# City Clerk

**City Clerk:** Wendy Wood

## Mission Statement

The City Clerk holds several statutory responsibilities, including administration of municipal elections and records management. City Clerk provides timely agenda material for the City Council to take action at bi-monthly regular meetings.

City Clerk ensures compliance with relevant laws aimed at safeguarding democracy and public transparency including the Ralph M. Brown Act, California Elections Code, the Political Reform Act and Public Records Act.

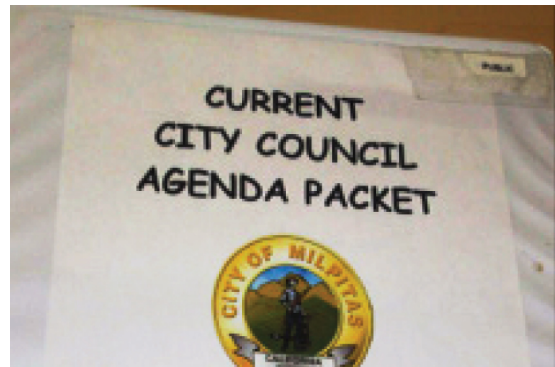
## Description

The Milpitas City Clerk serves as the legislative administrator, elections official, and records manager of the City as well as the Clerk of City Council and Secretary to the Milpitas Public Financing Authority, Milpitas Municipal Financing Authority and Housing Authority.



### Services

- Prepares, edits and publishes City Council agenda and meeting minutes for all regular and special City Council meetings.
- Ensures municipal records are readily available and accessible to all and serve as main point of contact for residents, City officials and staff, and other governments.
- Complies with the Ralph M. Brown Act, the Public Records Act and the City's Open Government Ordinance.
- Provides centralized records management, including production and retention of all meeting agendas and minutes of all City Council (and related entity) meetings.
- Coordinates outreach and tracking of terms of service and Mayor's appointments to 12 City Commissions.
- Maintains codification of ordinances, i.e. ensuring publication of Milpitas Municipal Code by vendor Municipal Code Corporation.
- Administers municipal elections, including candidate filing in November of even years, and receives required campaign finance reports on semi-annual basis.
- Receives and files annual Fair Political Practices Commission Forms 700 / Statements of Economic Interest for all designated employees, Commissioners, and elected officials.
- Responsible for requests for rental of City Hall facilities.
- Conducts Administrative Hearings, upon request, for Parking Citations and others municipal code violations.







| Accomplishments |  | Community Wellness and Open Space   | Economic Development and Job Growth   | Environment  | Governance & Administration   | Neighborhoods and Housing   | Public Safety   | Transportation and Transit  |
|-----------------|--|---|---|--|---|---|---|---|
|                 |  |  |  |  |  |  |  |  |
| 1.              | Prepared all City Council, Housing Authority, and Public Financing Authority regular & special meeting including Study Session agendas, via use of MuniCode Meetings software, and wrote all meeting minutes       | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 2.              | Tracked Council agenda items on: Tentative Agenda Items, Major Discussion Items, Preliminary and Final City Council Agenda and List of Requested Agenda Items  |   |   |  | ✓   |   |   |   |
| 3.              | Responded to Calif. Public Records Act and Milpitas Open Government Ordinance requests for records   | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 4.              | Conducted Candidate Filing for Municipal Election scheduled on November 3, 2020, and coordinated with the Registrar of Voters for all election matters, and filing documents for all candidates and ballot measure |   |   |  | ✓   |   |   |   |
| 5.              | Collected mandated Fair Political Practices Commission documents from filers, including all Statement of Economic Interests (Form 700) and campaign committee reports  |   |   |  | ✓   |   |   |   |
| 6.              | Destroyed eligible records/files, per adopted Records Retention Schedule   |   |   |  | ✓   |   |   |   |
| 7.              | Tracked all Commissioner terms, maintained directory, provided Commissioner Handbook and training to City of Milpitas appointed Commissioners  |   |   |  | ✓   |   |   |   |
| 8.              | Provided Notary Public service for City staff, as needed   |   |   |  | ✓   |   |   |   |










| Initiatives  | Community Wellness and Open Space   | Economic Development and Job Growth   | Environment  | Governance & Administration   | Neighborhoods and Housing   | Public Safety   | Transportation and Transit  |
|--|---|---|--|---|---|---|---|
|  |  |  |  |  |  |  |  |
| 1. Prepare all City Council, Housing Authority, and Public Financing Authority regular and special meeting agendas and minutes   | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 2. Track Council agenda items on: Tentative Agenda Item Lists, Major Discussion Items (6 mos. excel), Preview List, Council referral items (excel), Preliminary and Final City Council Agenda and List of Requested Agenda items |   |   |  | ✓   |   |   |   |
| 3. Respond to Public Records Act and Open Govt. Ord. requests for public records.  |   |   |  | ✓   |   |   |   |
| 4. Collect mandated Fair Political Practices Commission documents from filers, including all annual Statements of Economic Interests (700) and campaign committee reports  |   |   |  | ✓   |   |   |   |
| 5. Track all Commissioner terms, maintain directory, provide Commissioner Handbook and training to City of Milpitas appointed Commissioners  |   |   |  | ✓   |   |   |   |
| 6. Continue to Provide Notary Public service for City staff, as needed   |   |   |  | ✓   |   |   |   |
| 7. Review and revise the City's Records Retention Schedule   |   |   |  | ✓   |   |   |   |
| 8. Implement a new Commissioner application process  |   |   |  | ✓   |   |   |   |
| 9. Implement an internal Public Records Request Process  |   |   |  | ✓   |   |   |   |



## Performance and Workload Measures

| PERFORMANCE MEASURES   | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|--|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| City Council Agenda posted on time, in accordance with Open Government Ordinance 6 days prior                  |  | 100%            | 100%            | 100%            | 100%              | 100%            |
| City Council Agendas packets prepared, posted and delivered 5 days prior to meeting                            |  | 50%             | 97%             | 100%            | 100%              | 100%            |
| Compliance with timely filings of Fair Political Practices Commission Form 700 Statements of Economic Interest |  | 100%            | 92%             | 100%            | 100%              | 100%            |
| Comply with timely filings of fair Political Practices Commission Forms 460/Campaign Committee reports         |  | 90%             | 81%             | 100%            | 90%               | 100%            |

| ACTIVITY AND WORKLOAD DATA   | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|--|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| City Council Agenda Reports (Regular and Special)                    |    | 378             | 340             | 375             | 400               | 375             |
| City Council Meeting Minutes prepared (# pages)                      |  | 33 (214)        | 41 (207)        | 32 (200)        | 32 (200)          | 32 (200)        |
| Candidates Assisted in Municipal Election                            |  | 13              | 0               | 0               | 12                | 0               |
| Tort Claims received by City Clerk                                   |  | 47              | 34              | 45              | 45                | 45              |
| Fair Political Practices Commission Forms 700 (SEI) received         |  | 176             | 161             | 200             | 195               | 200             |
| Fair Political Practices Commission Campaign Committee Reports filed |  | 74              | 37              | 70              | 40                | 70              |
| Notary Public acknowledgments (or jurats)                            |  | 32              | 22              | 35              | 35                | 35              |

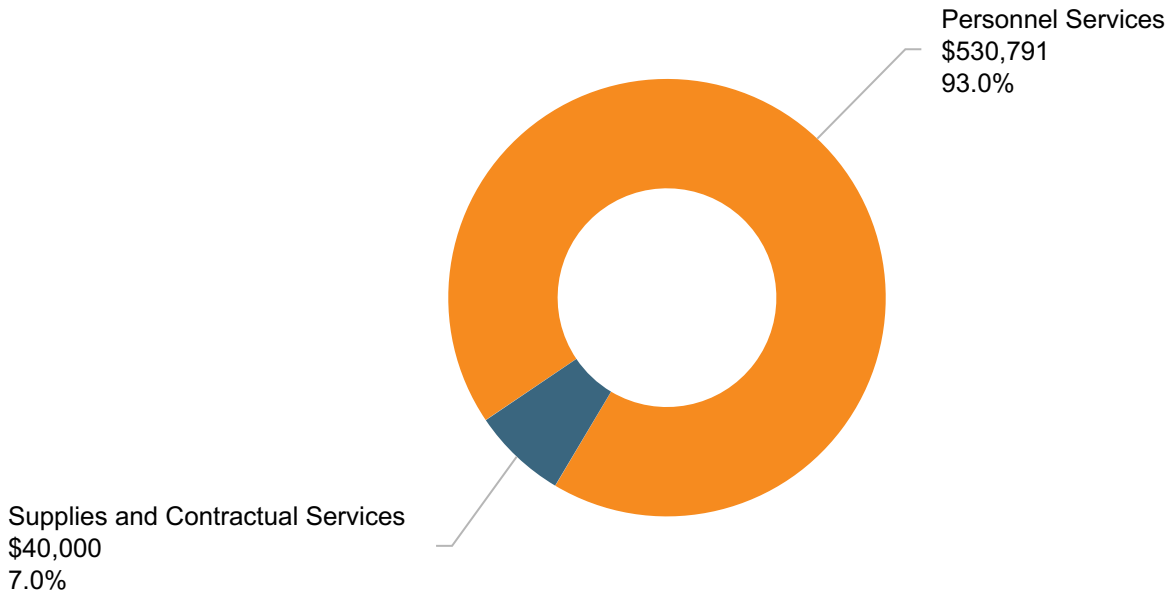
# Budget Summary

| DOLLARS BY CATEGORY                      |                                 | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|--|---------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>                |                                 |                   |                   |                    |                     |                      |                     |
| 4111                                     | Permanent Salaries              | \$328,633         | \$349,318         | \$365,571          | \$340,227           | (\$25,344)           | (6.9)%              |
| 4112                                     | Temporary Salaries              | 972               | 0                 | 0                  | 0                   | 0                    | 0.0%                |
| 4113                                     | Overtime                        | 272               | 143               | 0                  | 0                   | 0                    | 0.0%                |
| 4121                                     | Allowances                      | 0                 | 6,600             | 6,600              | 6,430               | (170)                | (2.6)%              |
| 4124                                     | Leave Cashout                   | 11,123            | 7,751             | 0                  | 0                   | 0                    | 0.0%                |
| 4131                                     | PERS                            | 123,280           | 138,415           | 116,671            | 114,571             | (2,100)              | (1.8)%              |
| 4132                                     | Group Insurance                 | 61,566            | 61,661            | 60,960             | 57,750              | (3,210)              | (5.3)%              |
| 4133                                     | Medicare                        | 5,028             | 5,334             | 5,396              | 5,027               | (369)                | (6.8)%              |
| 4135                                     | Worker's Compensation           | 1,544             | 1,671             | 1,828              | 1,658               | (170)                | (9.3)%              |
| 4138                                     | Deferred Comp-Employer          | 2,700             | 2,700             | 2,700              | 2,497               | (203)                | (7.5)%              |
| 4139                                     | PARS                            | 14                | 0                 | 0                  | 0                   | 0                    | 0.0%                |
| 4146                                     | Short Term Disability           | 0                 | 0                 | 252                | 230                 | (22)                 | (8.7)%              |
| 4161                                     | Retiree Medical Reserve         | 15,372            | 16,716            | 15,292             | 2,401               | (12,891)             | (84.3)%             |
| sub-total                                |                                 | 550,504           | 590,309           | 575,270            | 530,791             | (44,479)             | (7.7)%              |
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b> |                                 |                   |                   |                    |                     |                      |                     |
| 4220                                     | Supplies                        | 1,121             | 1,029             | 3,000              | 3,000               | 0                    | 0.0%                |
| 4230                                     | Services                        | 15,101            | 28,147            | 30,000             | 30,000              | 0                    | 0.0%                |
| 4280                                     | Elections                       | 103,617           | 0                 | 0                  | 0                   | 0                    | 0.0%                |
| 4500                                     | Training, Travel, & Memberships | 3,696             | 2,173             | 7,000              | 7,000               | 0                    | 0.0%                |
| sub-total                                |                                 | 123,535           | 31,349            | 40,000             | 40,000              | 0                    | 0.0%                |
| TOTAL                                    |                                 | \$674,039         | \$621,658         | \$615,270          | \$570,791           | (\$44,479)           | (7.2)%              |

## Staffing

| POSITIONS              | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| City Clerk             | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Deputy City Clerk      | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Office Assistant II*   | 1.00               | 1.00               | 1.00               | 0.50               | (0.50)            |
| <b>Total Positions</b> | <b>3.00</b>        | <b>3.00</b>        | <b>3.00</b>        | <b>2.50</b>        | <b>(0.50)</b>     |




## Expenditures by Category



## Budget Reconciliation

|  | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|--|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>   | 3.00          | \$615,270                 | \$0                     | \$615,270             |
| <b>Adjustments to Costs of Ongoing Activities</b>                                      |               |                           |                         |                       |
| Salaries and benefits  |               | 3,226                     |                         | 3,226                 |
| <b>Adjustments to Costs of Ongoing Activities</b>                                      |               | <b>3,226</b>              |                         | <b>3,226</b>          |
| <b>Total FY2020-21 Base Budget</b>   | <b>3.00</b>   | <b>618,496</b>            | <b>0</b>                | <b>618,496</b>        |
| <b>Service Level Changes</b>   |               |                           |                         |                       |
| Administrative Support Reorganizations - City Clerk's Office (0.5 Office Assistant II) | (0.50)        | (47,705)                  | 0                       | (47,705)              |
| <b>Total Service Level Changes</b>   | <b>(0.50)</b> | <b>(47,705)</b>           | <b>0</b>                | <b>(47,705)</b>       |
| <b>Total FY 2021-22 Budget</b>   | <b>2.50</b>   | <b>\$570,791</b>          | <b>\$0</b>              | <b>\$570,791</b>      |

## Service Level Changes

|   |  | Positions   | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|--|---|---------------------------|-------------------------|-----------------------|
| 1   | <b>Administrative Support Reorganization - City Clerk's Office</b>   | (0.50)  | (\$47,705)                | \$0                     | (\$47,705)            |
|    | This action defunds 1.0 Office Specialist II position in the City Manager's Office (CMO) and transfers 0.5 FTE Office Assistant II from the City Clerk's Office (CCO). This position is recommended for reduction in the City Manager's Office as part of a broader reorganization of administrative functions in the City Attorney (CAO), City Clerk (CCO) and City Manager's Offices (CMO) . The Office Specialist II position assists the Sr. Executive Assistant position with general office management and support of the City Council and City Manager's executive staff. To mitigate this reduction, 0.5 Office Assistant II position will be reassigned from CCO to CMO, which is possible with the elimination of passport services. As the CCO will be taking on the lead for PRA coordination, formatting of resolutions and ordinances and records management, this staffing model may not be sustainable in the long term but can be accommodated in the short term. |   |                           |                         |                       |
| <b>Performance Impact</b>   |  |   |                           |                         |                       |
| Through the allocation of the 0.5 Office Assistant II position, sufficient staff capacity will be available to support the City Council and City Manager's staff most of the time and work will be prioritized as needed. |  |   |                           |                         |                       |
| <b>Impact if funding is not approved</b>  |  |   |                           |                         |                       |
| Depending on the workload in the City Clerk's Office and City Manager's Office, tasks will have to be prioritized and there may be delays in responses to the City Council and City Manager's staff.                      |  |   |                           |                         |                       |
| <b>Total Service Level Changes</b>  |  | (0.50)  | (\$47,705)                | \$0                     | (\$47,705)            |

# Economic Development

**Economic Development Director:** Alex Andrade

## Mission Statement

To provide services and resources to the business and development communities with the purpose of attracting, retaining and expanding business and employment opportunities for area residents, stimulating the local economy and expanding local retail sales, transient occupancy and commercial property tax bases while maintaining a positive balance between growth, social equity and the economic vitality of Milpitas.

## Description

The Office of Economic Development strategizes, manages and directs programs and activities such as business retention, expansion, and attraction, workforce development, marketing and branding, and real estate transactions and development.

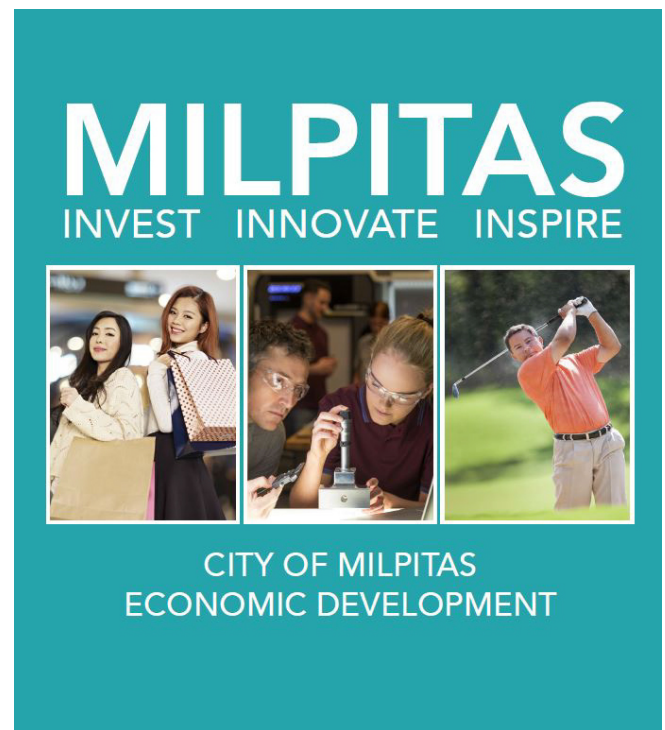











### Services








- **COVID-19:** In FY20-21 and continuing into FY21-22, the Office of Economic Development has significantly pivoted its priorities due to COVID-19. While still engaging in business attraction and retention efforts, staff has been focused on implementing the Economic Development Strategy, specifically on business resiliency, recovery, and assistance to help the business community through financial hardships during the pandemic.
- **Business Recruitment, Retention, and Expansion:** Enhance the City's connection to the global economy by engaging with existing and prospective companies in order to attract and retain job-creating businesses.
- **Small Businesses Assistance:** Develop seminars, educational programs, and collateral materials to assist small businesses in various aspects of business management, permits, and marketing.
- **Development Facilitation:** Facilitate development projects that generate property tax, transient occupancy tax, and sales tax revenues. Ombudsman for permitting process to largest economic development projects from the inception of the project to the completion. Projects include hotels, mixed-use development, industrial, restaurants, retail, etc.
- **Economic Development Studies:** Conduct studies that enhance and sustain the city's economic vitality and utilize data to enhance the economic base of the city.
- **Retail Development:** Recruit key businesses that fill retail gaps and provide sales tax revenues and needed services to the community.
- **Branding and Marketing:** Develop and implement branding and marketing strategies to promote the city at regional, national, and international levels.

- **Economic Development Analysis:** Evaluate economic development data such as, but not limited to jobs, gross domestic product, populations growth locally, regionally, statewide, and nationally; and track sales and transient occupancy taxes to follow trends and gaps.
- **Workforce Development:** Support workforce development by collaborating with regional workforce development organizations, educational institutions, business corporations, and nonprofit organizations.










| Accomplishments |   | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|-----------------|---|---|---|--|---|---|---|---|
|                 |   |  |  |  |  |  |  |  |
| 1.              | Due to COVID-19, there was an emphasis on business recovery and resilience during COVID-19 (e.g. Microenterprise Grant Program, Small Business Spotlight Program, hosted webinars)  | ✓   | ✓   |  | ✓   |   |   |   |
| 2.              | COVID-19 business assistance and increased communications on resources and information (e.g. 50 online messages, created Business Resources and Relief webpage, over 1,000 business engagements)  | ✓   | ✓   |  | ✓   |   |   |   |
| 3.              | Continued business recruitment, retention, and expansion programs (e.g.: NVZN, SMART Modular, AEVA, Amazon).  |   | ✓   |  | ✓   |   |   |   |
| 4.              | Facilitated the real estate purchase of 1831-1841 Tarob Court in TASP for park enhancement and street extension to/from the Milpitas Transit Center.  | ✓   | ✓   |  | ✓   | ✓   | ✓   | ✓   |
| 5.              | In support of workforce development, organized Manufacturing Day 2020 with several hundred high school students in attendance introducing them to tech and advanced manufacturing careers.  | ✓   | ✓   |  |   | ✓   |   |   |
| 6.              | Conducted and implemented studies that enhance and sustain the City's economic vitality (e.g. Economic Development Strategy, Fiscal Benefits of Employment Lands Study, Economic Development Element on behalf of the General Plan Update). |   | ✓   |  |   |   |   |   |
| 7.              | Marketed the city and the Transit Area in conjunction with local and regional partners.   |   | ✓   |  |   | ✓   |   | ✓   |
| 8.              | Partnered with Milpitas Unified School District and Evergreen Valley College introducing students to tech and advanced manufacturing careers.   | ✓   | ✓   |  |   |   |   |   |



| Initiatives   | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|---|---|---|--|---|---|---|---|
|   |  |  |  |  |  |  |  |
| 1. Cultivate a strong, stable and diverse local economy (continued emphasis on COVID-19 business assistance and recovery)             | ✓   | ✓   | ✓  |   |   |   |   |
| 2. Achieve fiscal sustainability and maintain adequate revenues to provide quality and essential public services.                     | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 3. Encourage new development in key opportunity areas that provide high-quality work environments and competitive business locations. |   | ✓   |  |   |   |   | ✓   |
| 4. Pursue economic development opportunities that foster and improve local quality of life.   | ✓   | ✓   |  |   |   |   |   |
| 5. Increase community workforce preparedness and cultivate an entrepreneurial environment that fosters innovation.                    | ✓   | ✓   | ✓  |   |   |   |   |

## Performance and Workload Measures

| PERFORMANCE MEASURES   | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|--|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| <b>Corporate Visitation Program</b> - Percent of corporate visits that may lead to a follow up   |  | N/A*            | 100%            | 100%            | 100%              | 100%            |
| <b>Business Engagement</b> - Percent of meetings with the corporate, brokerage and development communities that may lead to business attraction, retention and expansion |  | N/A             | 1000%           | 100%            | 100%              | 100%            |
| <b>Customer Service</b> - Percent of business partners engaged with the Economic Development team who rank their experience as "very good" or "excellent" on a survey    |  | N/A             | N/A             | 70%             | 70%               | 70%             |

| ACTIVITY AND WORKLOAD DATA  | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| <b>Corporate Visitation Program</b> - Number of corporate visits  |   | N/A             | 7               | 10              | 4***              | 7               |
| <b>Business Engagement</b> - Number of meetings with the corporate, brokerage and development communities                                   |  | N/A             | 546             | 55              | 250               | 100             |
| <b>Permit Assistance</b> - Number of firms who received permit and other assistance from Economic Development staff                         |  | N/A             | 35              | 35              | 27                | 30              |
| <b>Branding</b> - Number of promotions and marketing of the local business community through social media and other digital media platforms |  | N/A             | 54              | 12              | 60                | 25              |

\*New Performance Measures, Activity and Workload Data under columns FY18-19 here and below.

\*\*Due to COVID-19, the Corporate Visitation Program was put on hold in March-December 2020.

\*\*\*Due to COVID-19, the Office of Economic Development re-prioritized its mission to focus on business resiliency and recovery and the Corporate Visitation Program is still on hold.

## Budget Summary

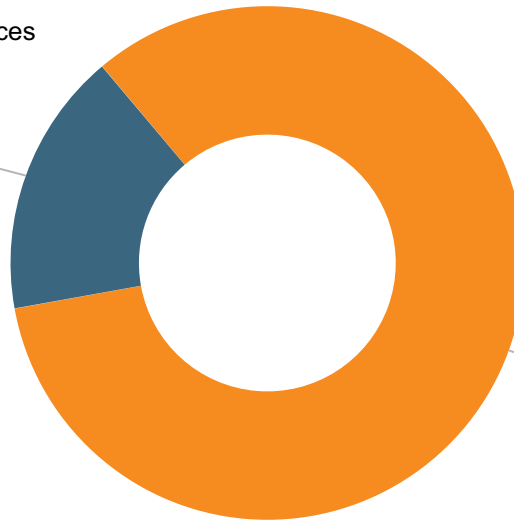
| DOLLARS BY CATEGORY                      |                                     | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|--|-------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>                |                                     |                   |                   |                    |                     |                      |                     |
| 4111                                     | Permanent Salaries                  | \$323,766         | \$337,646         | \$461,209          | \$461,683           | \$474                | 0.1%                |
| 4112                                     | Temporary Salaries                  | 22,795            | 24,510            | 56,200             | 38,098              | (18,102)             | (32.2)%             |
| 4121                                     | Allowances                          | 0                 | 6,600             | 6,600              | 6,600               | 0                    | 0.0%                |
| 4124                                     | Leave Cashout                       | 39,904            | 0                 | 0                  | 0                   | 0                    | 0.0%                |
| 4131                                     | PERS                                | 118,180           | 127,129           | 143,300            | 155,336             | 12,036               | 8.4%                |
| 4132                                     | Group Insurance                     | 48,270            | 49,630            | 66,576             | 68,954              | 2,378                | 3.6%                |
| 4133                                     | Medicare                            | 5,491             | 5,260             | 7,235              | 7,242               | 7                    | 0.1%                |
| 4135                                     | Worker's Compensation               | 1,938             | 2,295             | 2,401              | 2,464               | 63                   | 2.6%                |
| 4138                                     | Deferred Comp-Employer              | 1,890             | 917               | 2,700              | 1,800               | (900)                | (33.3)%             |
| 4139                                     | PARS                                | 340               | 365               | 468                | 468                 | 0                    | 0.0%                |
| 4146                                     | Short Term Disability               | 0                 | 0                 | 252                | 252                 | 0                    | 0.0%                |
| 4161                                     | Retiree Medical Reserve             | 19,428            | 20,274            | 17,962             | 3,093               | (14,869)             | (82.8)%             |
| sub-total                                |                                     | 582,002           | 574,692           | 764,903            | 745,990             | (18,913)             | (2.5)%              |
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b> |                                     |                   |                   |                    |                     |                      |                     |
| 4200                                     | Community Promotion, Grant/<br>Loan | 0                 | 0                 | 6,240              | 6,240               | 0                    | 0.0%                |
| 4220                                     | Supplies                            | 859               | 408               | 1,500              | 1,500               | 0                    | 0.0%                |
| 4230                                     | Services                            | 98,581            | 202,996           | 105,000            | 105,000             | 0                    | 0.0%                |
| 4500                                     | Training, Travel, &<br>Memberships  | 26,535            | 26,970            | 36,475             | 37,077              | 602                  | 1.7%                |
| sub-total                                |                                     | 125,975           | 230,374           | 149,215            | 149,817             | 602                  | 0.4%                |
| TOTAL                                    |                                     | \$707,977         | \$805,066         | \$914,118          | \$895,807           | (\$18,311)           | (2.0)%              |

## Staffing

| POSITIONS                           | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Econ Development Specialist         | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Economic Development<br>Coordinator | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Economic Development<br>Director    | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| <b>Total Positions</b>              | <b>3.00</b>        | <b>3.00</b>        | <b>3.00</b>        | <b>3.00</b>        | <b>0.00</b>       |

## Expenditures by Category

Supplies and Contractual Services  
\$149,817  
16.7%



Personnel Services  
\$745,990  
83.3%

## Budget Reconciliation

|  | Positions   | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|--|-------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>                               | 3.00        | \$914,118                 | \$0                     | \$914,118             |
| <b>Adjustments to Costs of Ongoing Activities</b>      |             |                           |                         |                       |
| Salary and Benefits                                    | 0.00        | (811)                     | 0                       | (811)                 |
| Intern Funding Reduction (Council Approval 02/16/2021) |             | (17,500)                  |                         | (17,500)              |
| <b>Adjustments to Costs of Ongoing Activities</b>      | <b>0.00</b> | <b>(18,311)</b>           | <b>0</b>                | <b>(18,311)</b>       |
| <b>Total FY 2021-22 Budget</b>                         | <b>3.00</b> | <b>\$895,807</b>          | <b>\$0</b>              | <b>\$895,807</b>      |



# City Attorney

**Christopher J. Diaz**

## Mission Statement

The Office of the City Attorney provides cost effective legal representation, analysis and guidance to the City Council and City staff at the highest level of professionalism.

## Description

This department provides general legal advice and services to the City Council, RDA Successor Agency, Housing Authority, City Commissions, City Manager, City departments and other entities as approved by City Council. The City Attorney's department prepares or approves as to form all proposed ordinances, resolutions, agreements and amendments thereto. This department negotiates and drafts complex agreements, including at times development agreements with developers. This department represents the City in litigation and supervises litigation of PLAN JPA appointed counsel. This department also provides guidance in personnel matters.





## Services








- General legal advice
- Personnel advice
- Litigation
- Employee legal training
- Compliance advice related to current and forthcoming federal and State regulations
- Housing Authority and RDA Successor Agency legal services
- Land use advice and document preparation
- Conflict of Interest and Open Government guidance







## City Attorney







|     |   | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|-----|---|---|---|--|---|---|---|---|
|     | Accomplishments   |  |  |  |  |  |  |  |
| 1.  | Provided superior, affordable, timely legal advice and service  | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 2.  | Continued to serve the Police Department on gun confiscation petitions and other related matters  | ✓   |   |  |   |   |   | ✓   |
| 3.  | Provided ongoing legal training to staff, commissions, etc., including training on resolutions, ordinances and public hearings  | ✓   |   |  |   |   |   | ✓   |
| 4.  | Provided ongoing advice re: TASP and development in the TASP, including BART project  |   |   | ✓  | ✓   |   | ✓   |   |
| 5.  | Updated various Municipal Code sections, as authorized  | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 6.  | Assist staff with various ordinances regarding affordable housing   |   |   |  | ✓   | ✓   |   |   |
| 7.  | Prepare all legal documents for the sales tax ballot measure, review educational information to the community, and prepare legal documents, including ordinance, necessary for the State of California to collect the tax |   |   |  |   |   |   | ✓   |
| 8.  | Assist with complex litigation matters  | ✓   | ✓   | ✓  |   |   |   | ✓   |
| 9.  | Aide the City Council in various conflict, gift, and ethics questions   |   |   |  |   |   |   | ✓   |
| 10. | Continue to advise on Public Records Act requests and provide training for City staff on the Public Records Act   |   |   |  |   |   |   | ✓   |

|    |   | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|----|---|---|---|--|---|---|---|---|
|    | Initiatives   |  |  |  |  |  |  |  |
| 1. | Continue to provide superior, affordable, timely legal advice and service   | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 2. | Continue to advise the Council on various legal issues including conflicts of interest, gift rules, and ethics compliance                           |   |   |  |   |   |   | ✓   |
| 3. | Continue to offer various legal trainings to staff and coordinate on ethics training, sexual harassment avoidance training, and other timely topics |   |   |  |   |   |   | ✓   |
| 4. | Continue to update the Municipal Code based on changes in the law   | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 5. | Work in tandem with City staff to ensure legal compliance   | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 6. | Continue to monitor all pending litigation and provide timely updates to the Council  |   |   |  |   |   |   | ✓   |

## Performance and Workload Measures

| PERFORMANCE MEASURES  | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Contract complaints / Council agenda contracts                        |  | 0 / 91          | 0 / 81          | 0 / 75          | 0 / 92            | 0 / 85          |
| Documents timely produced for Council and Planning Commission Agendas |  | 100%            | 100%            | 100%            | 100%              | 100%            |

| ACTIVITY AND WORKLOAD DATA                        | Strategic Goals  | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|--|-----------------|-----------------|-----------------|-------------------|-----------------|
| Ordinances  |   | 10              | 16              | 15              | 15                | 15              |
| Resolutions (Council & Planning Commission)       |   | 120             | 117             | 115             | 115               | 105             |
| Contracts reviewed / approved                     |   | 418             | 484             | 465             | 485               | 450             |
| Court / administrative cases handled / supervised |  | 34              | 39              | 45              | 40                | 40              |

## Budget Summary

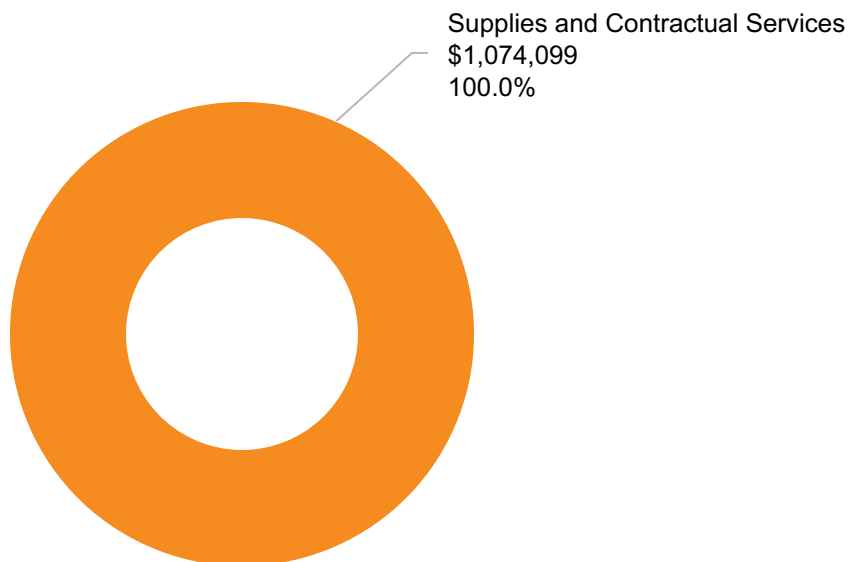
| DOLLARS BY CATEGORY       |                         | 2018-19 Actual | 2019-20 Actual | 2020-21 Adopted | 2021-22 Proposed | FY 2022 Change \$ | FY 2022 Change % |
|---------------------------|-------------------------|----------------|----------------|-----------------|------------------|-------------------|------------------|
| <b>PERSONNEL SERVICES</b> |                         |                |                |                 |                  |                   |                  |
| 4111                      | Permanent Salaries      | \$109,902      | \$116,176      | \$120,009       | \$0              | (\$120,009)       | (100.0)%         |
| 4124                      | Leave Cashout           | 4,227          | 0              | 0               | 0                | 0                 | 0.0%             |
| 4131                      | PERS                    | 37,848         | 42,138         | 34,883          | 0                | (34,883)          | (100.0)%         |
| 4132                      | Group Insurance         | 15,550         | 12,335         | 12,264          | 0                | (12,264)          | (100.0)%         |
| 4133                      | Medicare                | 1,671          | 1,694          | 1,740           | 0                | (1,740)           | (100.0)%         |
| 4135                      | Worker's Compensation   | 492            | 492            | 536             | 0                | (536)             | (100.0)%         |
| 4138                      | Deferred Comp-Employer  | 900            | 900            | 900             | 0                | (900)             | (100.0)%         |
| 4146                      | Short Term Disability   | 0              | 0              | 84              | 0                | (84)              | (100.0)%         |
| 4161                      | Retiree Medical Reserve | 4,908          | 4,908          | 4,286           | 0                | (4,286)           | (100.0)%         |
| <b>sub-total</b>          |                         | <b>175,498</b> | <b>178,643</b> | <b>174,702</b>  | <b>0</b>         | <b>(174,702)</b>  | <b>(100.0)%</b>  |

| DOLLARS BY CATEGORY                      |          | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|--|----------|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b> |          |                    |                    |                    |                     |                      |                     |
| <b>4220</b>                              | Supplies | 1,113              | 384                | 1,500              | 0                   | (1,500)              | (100.0)%            |
| <b>4230</b>                              | Services | 1,094,959          | 1,083,024          | 1,164,099          | 1,074,099           | (90,000)             | (7.7)%              |
| <b>sub-total</b>                         |          | <b>1,096,072</b>   | <b>1,083,408</b>   | <b>1,165,599</b>   | <b>1,074,099</b>    | <b>(91,500)</b>      | <b>(7.9)%</b>       |
| <b>TOTAL</b>                             |          | <b>\$1,271,570</b> | <b>\$1,262,051</b> | <b>\$1,340,301</b> | <b>\$1,074,099</b>  | <b>(\$266,202)</b>   | <b>(19.9)%</b>      |

## Staffing

| POSITIONS              | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Executive Assistant    | 0.00               | 0.00               | 1.00               | 0.00               | (1.00)            |
| Executive Secretary    | 1.00               | 1.00               | 0.00               | 0.00               | 0.00              |
| <b>Total Positions</b> | <b>1.00</b>        | <b>1.00</b>        | <b>1.00</b>        | <b>0.00</b>        | <b>(1.00)</b>     |




## Expenditures by Category





## Budget Reconciliation

|   | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>  | <b>1.00</b>   | <b>\$1,340,302</b>        | <b>\$0</b>              | <b>\$1,340,302</b>    |
| <b>Adjustments to Costs of Ongoing Activities</b>   |               |                           |                         |                       |
| Salary and Benefits   |               | (1,439)                   |                         | (1,439)               |
| Contractual Services (Best, Best, and Krieger)  |               | (45,000)                  | 45,000                  | 0                     |
| <b>Adjustments to Costs of Ongoing Activities</b>   | <b>0.00</b>   | <b>(46,439)</b>           | <b>45,000</b>           | <b>(1,439)</b>        |
| <b>Total FY2021-22 Base Budget</b>  | <b>1.00</b>   | <b>1,293,863</b>          | <b>45,000</b>           | <b>1,338,863</b>      |
| <b>Service Level Changes</b>  |               |                           |                         |                       |
| Contractual Service Reduction - City Attorney's Office (Best, Best and Krieger)               | 0.00          | (150,000)                 |                         | (150,000)             |
| Administrative Support Reorganization - City Attorney's Office (1.0 Administrative Assistant) | (1.00)        | (114,764)                 |                         | (114,764)             |
| <b>Total Service Level Changes</b>  | <b>(1.00)</b> | <b>(264,764)</b>          | <b>0</b>                | <b>(264,764)</b>      |
| <b>Total FY 2021-22 Budget</b>  | <b>0.00</b>   | <b>\$1,029,099</b>        | <b>\$45,000</b>         | <b>\$1,074,099</b>    |

## Service Level Changes

|   |   | Positions   | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---|---|---------------------------|-------------------------|-----------------------|
| 1.  | <b>Contractual Service Reduction – City Attorney’s Office</b>   | 0.00  | (\$150,000)               | \$0                     | (\$150,000)           |
|  | This action reduces legal services costs provided by Best, Best and Krieger (BBK). BBK has staffed the City Attorney's Office for several years. In alignment of historical legal services provided to the City, BBK is restructuring its contractual pricing structure. This assumes a reduction of Public Records Act requests related work, which spiked in 2020. Please note that the Administrative Support Reorganization budget action described below increases contractual services by \$60,000. |   |                           |                         |                       |
|   | <b>Performance Impact</b>   |   |                           |                         |                       |
|   | Not applicable.   |   |                           |                         |                       |
|   | <b>Mitigation</b>   |   |                           |                         |                       |
|   | Not Applicable.   |   |                           |                         |                       |

|   |  |   |             |     |             |
|---|--|---|-------------|-----|-------------|
| 2.  | Administrative Support Reorganization – City Attorney’s Office   | (1.00)  | (\$114,764) | \$0 | (\$114,764) |
|    | <p>This action eliminates 1.0 Administrative Assistant position in the City Attorney's Office. This position elimination in the City Attorney’s Office is part of a broader reorganization of administrative functions in the City Attorney (CAO), City Clerk (CCO) and City Manager’s Offices (CMO) . With the elimination of passport services and implementation of best practices in the CCO, tasks and responsibilities from the CAO such as coordination of public records act requests and formatting of resolutions and ordinances are shifted to the CCO. The direct support for the City Attorney will be assigned to BBK staff. The savings from the staff reduction in the amount of \$173,263 and related office supplies in the amount of \$1,500 is partially offset with additional contract services cost in the amount of \$60,000 resulting in net savings of \$114,763 in the City Attorney's Budget. However, the allocated payment of the unfunded pension liability in the amount of \$21,481 will be budgeted in the non-departmental budget resulting in net savings of the General Fund of \$93,282.</p> |   |             |     |             |
| Performance Impact  |  |  |             |     |             |
| <p>No performance impact is anticipated as the tasks and responsibilities will be assigned to the City Clerk's Office and the administrative support for the City Attorney shifted to the City Attorney's contract.</p> |  |   |             |     |             |
| Mitigation  |  |   |             |     |             |
| <p>Not Applicable.</p>  |  |   |             |     |             |

|                                    |        |             |     |             |
|------------------------------------|--------|-------------|-----|-------------|
| <b>Total Service Level Changes</b> | (1.00) | (\$264,764) | \$0 | (\$264,764) |
|------------------------------------|--------|-------------|-----|-------------|

# Building Safety and Housing

**Building Safety and Housing Director:** Sharon Goei

## Mission Statement

The Building Safety and Housing Department is dedicated to enhancing the community's safety, welfare, economic vitality, and quality of life by ensuring that buildings are reviewed, permitted, and inspected to be safe, sustainable, and resilient. Preserving the quality and beauty of neighborhoods through enforcement of City regulations and creating, increasing, and preserving affordable housing and supportive programs for the community are also at the forefront of efforts by the Department to promote the health and welfare of this vibrant and diverse City.

## Description

The Building Safety and Housing Department provides plan review, permit administration, and inspection services to implement building safety codes and quality standards to safeguard the public health and safety for the built environment. It provides code enforcement and neighborhood services to maintain and enhance neighborhood quality and general welfare. It also administers the Housing Authority and Community Development Block Grant programs, and develops and implements policies and programs to create affordable housing and enhance supportive services for the community.



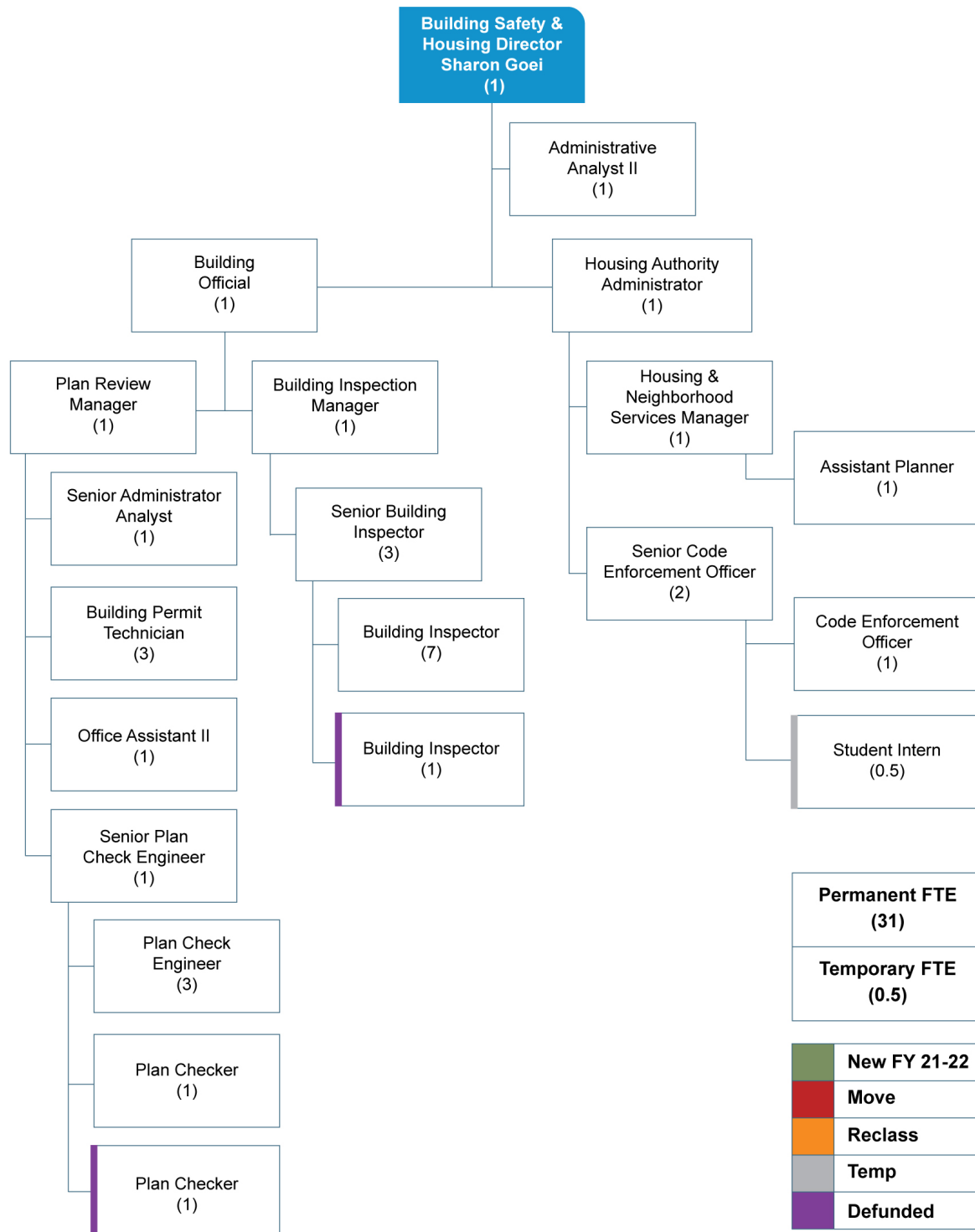


### Services








- Perform review of construction plans and documents to ensure safety through compliance with technical codes, State and local regulations, and acceptable engineering practices.
- Perform inspections, including occupancy inspections, to ensure safety of occupants and that buildings are constructed in accordance with approved plans and applicable State and local regulations.
- Assist customers in obtaining building permits and monitoring plan submittal process from initial submittal to permit issuance using 'One Point of Contact' approach.
- Process permit applications, collect permit fees, perform records research, and maintain building plans and records.
- Develop and update an easy-to-follow website allowing customers to receive up-to-date information on code requirements, submit permit applications, obtain submittal requirements, and ask questions regarding other Building Safety and Housing information.
- Meet with developers, design professionals, homeowners, and contractors to assist them in the timely issuance of permits and completion of projects including after business hours services as requested.
- Provide assistance to the Fire Department in fire investigations and building owners for other emergencies.
- Provide assistance and inspections to mobile home parks.
- Provide code enforcement services to correct Health and Safety Code and Municipal Code violations.
- Administer programs for abandoned vehicles, shopping carts, animal control, and neighborhood beautification.
- Administer the City's Affordable Housing Ordinance to advance towards the City's Regional Housing Needs Allocation (RHNA) goals.
- Administer the City's Rent Relief Program to aid Milpitas residents who are at risk of eviction.
- Conduct outreach events and workshops in partnership with regional non-profits to communicate with and serve Milpitas' vulnerable population.
- Manage and maintain the City's Below Market Rate homeownership program and applicant waiting list.
- Identify or coordinate funding sources for affordable housing development and preservation.
- Administer the City's Housing Authority and Community Development Block Grant (CDBG) programs.
- Serve as the staff liaison to the City Council Housing Subcommittee, Community Advisory Commission, and the Homelessness Task Force.
- Administer new programs and services to assist our unhoused population such as the Dignity on Wheels Mobile Shower and Laundry program and the homeless outreach, assessment and street-based case management services in partnership with the Santa Clara County Office of Supportive Housing.














## Building Safety and Housing











| Accomplishments |  | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|-----------------|--|---|---|--|---|---|---|---|
|                 |  |  |  |  |  |  |  |  |
| 1.              | Implemented homeless outreach, assessment, and street-based case management services, and mobile shower and laundry program for homeless residents; endorsed 2020-2025 Community Plan to End Homelessness. | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   |   |
| 2.              | Continued providing tenant support and housing assistance programs – Rent Relief Program, Rent Review Program, and It Takes a Village Program.   | ✓   | ✓   |  | ✓   | ✓   | ✓   |   |
| 3.              | Conducted increased outreach for Community Development Block Grant (CDBG) applications to enhance participation.   | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   |   |
| 4.              | Conducted outreach and workshops on fair housing, tenant support resources, and various housing related programs in partnership with local non-profit agencies for Milpitas' vulnerable residents.         | ✓   | ✓   |  | ✓   | ✓   |   |   |
| 5.              | Completed year-long participation in ABAG Housing Methodology Committee meetings on Regional Housing Needs Allocation (RHNA) methodology and proposed housing allocation.                                  |   | ✓   |  | ✓   | ✓   |   |   |
| 6.              | Continued implementing affordable housing policies and programs to advance Milpitas towards the City's Regional Housing Needs Allocation (RHNA) goals.   | ✓   | ✓   |  | ✓   | ✓   |   |   |
| 7.              | Created Milpitas Accessory Dwelling Unit (ADU) Monday Program to provide a simple and easy pathway to encourage Milpitas residents to explore the idea of developing an ADU on their property.             |   | ✓   |  | ✓   | ✓   |   |   |
| 8.              | Kicked off permit system upgrade with development services departments to enhance permit tracking and processing, increase efficiency, and better serve the development community.                         |   | ✓   | ✓  | ✓   | ✓   |   |   |
| 9.              | Continued development review, permitting, and inspection functions through the pandemic; implemented safety protocols for internal staff and external developers and builders.                             | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   |   |
| 10.             | Identified and modified or eliminated several technical and administrative policies that were inconsistent, overly restrictive, or not supported by the Building Codes.                                    |   | ✓   | ✓  | ✓   | ✓   | ✓   |   |

| Initiatives |  | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|-------------|--|---|---|--|---|---|---|---|
|             |  |  |  |  |  |  |  |  |
| 1.          | Continue homeless response and prevention efforts in collaboration with the County and other partners and explore potential solutions; serve as staff liaison to Homelessness Task Force.  | ✓   | ✓   |  | ✓   | ✓   | ✓   |   |
| 2.          | Monitor state and ABAG Regional Housing Needs Allocation (RHNA) process; prepare Assessment of Fair Housing and Housing Element; conduct stakeholder outreach, analyze housing needs and constraints, and analyze development feasibility for sites inventory. | ✓   | ✓   |  | ✓   | ✓   |   |   |
| 3.          | Continue to facilitate affordable housing production and preservation; identify, implement and administer new programs to create more affordable housing opportunities and to assist residents with other housing needs.                                       | ✓   | ✓   |  | ✓   | ✓   |   |   |
| 4.          | Increase outreach on resources for vulnerable residents; collaborate with nonprofits and regional partners to enhance housing options.   | ✓   | ✓   |  | ✓   | ✓   |   |   |
| 5.          | Provide resources, training and professional development opportunities for team members and talent retention.  |   | ✓   |  | ✓   |   |   |   |
| 6.          | Continue outreach with development community to improve service delivery and ensure that Milpitas is a community that attracts new development.  | ✓   | ✓   |  | ✓   | ✓   |   |   |
| 7.          | Continue to streamline and improve inspection and plan review processes for increased efficiencies, while identifying and modifying or eliminating policies that are not supported by the Building Codes.  |   | ✓   | ✓  | ✓   | ✓   | ✓   |   |
| 8.          | Continue improvement of permit system and electronic plan review and integration of permit system with other systems to increase efficiency, improve service delivery, and better serve the development community.   |   | ✓   | ✓  | ✓   | ✓   |   |   |
| 9.          | Continue to update the website, intranet, and implement new plan markup collaboration tool and drafting tool to better interact with development community.  | ✓   | ✓   | ✓  | ✓   | ✓   |   |   |
| 10.         | Continue to encourage reduction of greenhouse gas emissions and promote green development through implementation of reach codes.   |   | ✓   | ✓  | ✓   | ✓   |   |   |

## Performance and Workload Measures

| PERFORMANCE MEASURES   | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|--|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Percent of customers rating service at Permit Center "Very Good" or "Excellent"                          |    | N/A             | N/A             | 90%             | 85%               | 85%             |
| Percent of Over-the-Counter Building Permit Plan Reviews (including express tenant improvements)         |    | 35%             | 28%             | 40%             | 40%               | 40%             |
| <b>Building permits for new development projects:</b>  |   |                 |                 |                 |                   |                 |
| 1) New development first submittal average plan review turnaround time (business days)                   |    | N/A             | N/A             | N/A             | 33                | 30              |
| 2) New development subsequent submittal average plan review turnaround time (business days)              |    | N/A             | N/A             | N/A             | 27                | 25              |
| <b>Building permits for tenant improvements:</b>   |   |                 |                 |                 |                   |                 |
| 1) Tenant Improvement first submittal average plan review turnaround time (business days)                |    | N/A             | N/A             | N/A             | 30                | 25              |
| 2) Tenant Improvement subsequent submittal average plan review turnaround time (business days)           |  | N/A             | N/A             | N/A             | 21                | 20              |
| <b>Building permits for residential remodel/addition:</b>  |   |                 |                 |                 |                   |                 |
| 1) Residential remodel/addition first submittal average plan review turnaround time (business days)      |  | N/A             | N/A             | N/A             | 24                | 20              |
| 2) Residential remodel/addition subsequent submittal average plan review turnaround time (business days) |  | N/A             | N/A             | N/A             | 19                | 15              |
| Percent of building inspections completed within one day   |  | 97%             | 97%             | 95%             | 95%               | 95%             |
| Percent of customers rating inspection services "Very Good" or "Excellent"                               |  | N/A             | N/A             | 90%             | 85%               | 85%             |
| Percent of code enforcement cases in compliance within 30 days   |  | 83%             | 77%             | 75%             | 75%               | 75%             |

| ACTIVITY AND WORKLOAD DATA   | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|--|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Total customers served at Permit Center (Building, Planning, Engineering, Fire, and other) |    | 5,213           | 5,477           | 5,400           | 5,500             | 5,400           |
| Total Over-the-Counter Permit Reviews  |    | 1,643           | 1,339           | 1,600           | 1,600             | 1,400           |
| Total issued building permit construction valuation  |    | \$349,962,108   | \$603,090,345   | \$500,000,000   | \$200,000,000     | \$300,000,000   |
| Total building permits issued  |    | 3,844           | 2,980           | 4,000           | 3,000             | 3,000           |
| Total plan reviews completed   |    | 4,764           | 4,826           | 4,800           | 4,900             | 4,900           |
| Total building inspections completed   |    | 26,397          | 17,711          | 25,000          | 18,000            | 18,000          |
| Total code enforcement customer service requests   |   | 784             | 559             | 600             | 600               | 600             |
| Total residents served through CDBG, City housing and assistance programs*                 |  | 2,239           | 855             | 2,000           | 2,000             | 2,000           |

\*Source: CDBG data is gathered from service organizations

## Budget Summary

| DOLLARS BY FUNCTION                           | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|---|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|
| Building Inspection                           | \$2,764,493        | \$2,375,915        | \$2,904,224        | \$2,260,895         | (\$643,329)          | (22.2)%             |
| Building Safety and Housing<br>Administration | 463,458            | 837,153            | 865,405            | 857,152             | (8,253)              | (1.0)%              |
| Housing and Neighborhood<br>Svcs              | 1,897,105          | 2,223,277          | 2,964,783          | 2,908,163           | (56,620)             | (1.9)%              |
| Permit Center                                 | 529,882            | 693,125            | 859,129            | 882,633             | 23,504               | 2.7%                |
| Plan Review                                   | 704,475            | 1,064,505          | 1,662,619          | 1,360,132           | (302,487)            | (18.2)%             |
| <b>TOTAL</b>                                  | <b>\$6,359,413</b> | <b>\$7,193,975</b> | <b>\$9,256,160</b> | <b>\$8,268,975</b>  | <b>(\$987,185)</b>   | <b>(10.7)%</b>      |

| DOLLARS BY CATEGORY                 | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|-------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>           |                   |                   |                    |                     |                      |                     |
| <b>4111</b> Permanent Salaries      | \$2,456,777       | \$3,251,657       | \$4,213,392        | \$4,111,841         | (\$101,551)          | (2.4)%              |
| <b>4112</b> Temporary Salaries      | 481,274           | 149,400           | 393,174            | 17,850              | (375,324)            | (95.5)%             |
| <b>4113</b> Overtime                | 51,781            | 40,690            | 70,000             | 70,000              | 0                    | 0.0%                |
| <b>4121</b> Allowances              | 0                 | 6,600             | 6,600              | 5,282               | (1,318)              | (20.0)%             |
| <b>4124</b> Leave Cashout           | 30,377            | 75,452            | 0                  | 0                   | 0                    | 0.0%                |
| <b>4131</b> PERS                    | 1,096,503         | 1,335,055         | 1,462,779          | 1,375,684           | (87,095)             | (6.0)%              |
| <b>4132</b> Group Insurance         | 526,443           | 535,779           | 772,444            | 628,423             | (144,021)            | (18.6)%             |
| <b>4133</b> Medicare                | 43,514            | 50,473            | 66,900             | 59,957              | (6,943)              | (10.4)%             |
| <b>4135</b> Worker's Compensation   | 26,469            | 13,888            | 30,205             | 27,715              | (2,490)              | (8.2)%              |
| <b>4138</b> Deferred Comp-Employer  | 22,089            | 23,042            | 29,700             | 25,424              | (4,276)              | (14.4)%             |
| <b>4139</b> PARS                    | 330               | 287               | 259                | 268                 | 9                    | 3.5%                |
| <b>4146</b> Short Term Disability   | 0                 | 0                 | 2,772              | 2,604               | (168)                | (6.1)%              |
| <b>4161</b> Retiree Medical Reserve | 188,999           | 213,966           | 213,827            | 34,486              | (179,341)            | (83.9)%             |
| <b>sub-total</b>                    | <b>4,924,556</b>  | <b>5,689,473</b>  | <b>7,262,052</b>   | <b>6,359,534</b>    | <b>(902,518)</b>     | <b>(12.4)%</b>      |



| DOLLARS BY CATEGORY                      |                                     | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|--|-------------------------------------|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b> |                                     |                    |                    |                    |                     |                      |                     |
| <b>4200</b>                              | Community Promotion, Grant/<br>Loan | 568,547            | 335,512            | 908,734            | 908,734             | 0                    | 0.0%                |
| <b>4210</b>                              | Department Allocations              | 53,573             | 53,971             | 31,574             | 26,907              | (4,667)              | (14.8)%             |
| <b>4220</b>                              | Supplies                            | 29,279             | 61,006             | 34,000             | 34,000              | 0                    | 0.0%                |
| <b>4230</b>                              | Services                            | 756,176            | 1,023,641          | 974,900            | 894,900             | (80,000)             | (8.2)%              |
| <b>4500</b>                              | Training, Travel, &<br>Memberships  | 27,282             | 30,372             | 44,900             | 44,900              | 0                    | 0.0%                |
| <b>sub-total</b>                         |                                     | <b>1,434,857</b>   | <b>1,504,502</b>   | <b>1,994,108</b>   | <b>1,909,441</b>    | <b>(84,667)</b>      | <b>(4.2)%</b>       |
| <b>TOTAL</b>                             |                                     | <b>\$6,359,413</b> | <b>\$7,193,975</b> | <b>\$9,256,160</b> | <b>\$8,268,975</b>  | <b>(\$987,185)</b>   | <b>(10.7)%</b>      |

## Staffing

| POSITIONS BY FUNCTION                         | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|
| Building Safety and Housing<br>Administration | 1.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Building Inspection*                          | 9.00               | 13.00              | 12.00              | 11.00              | (1.00)            |
| Housing and Neighborhood<br>Svcs              | 6.00               | 6.00               | 6.00               | 6.00               | 0.00              |
| Permit Center                                 | 4.00               | 5.00               | 5.00               | 5.00               | 0.00              |
| Plan Review*                                  | 4.00               | 6.00               | 7.00               | 6.00               | (1.00)            |
| <b>TOTAL</b>                                  | <b>24.00</b>       | <b>33.00</b>       | <b>33.00</b>       | <b>31.00</b>       | <b>(2.00)</b>     |

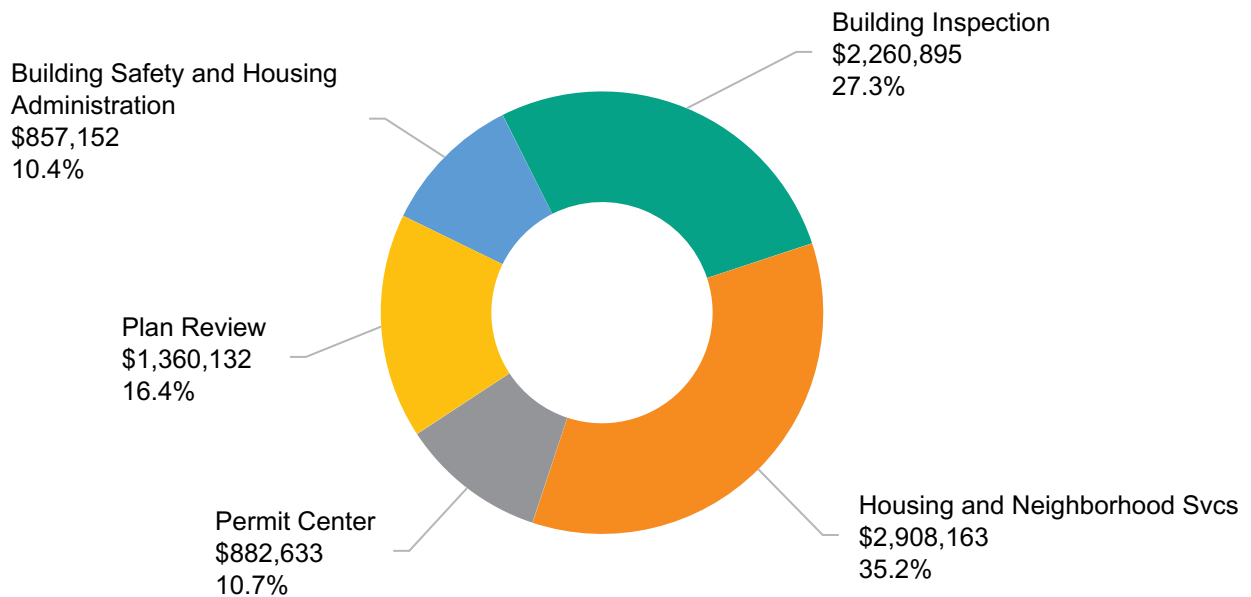
\*1.0 Building Inspector and 1.0 Plan Checker are defunded.

| POSITIONS                                    | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|--|--------------------|--------------------|--------------------|--------------------|-------------------|
| Administrative Analyst II                    | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Assistant Planner                            | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Building Safety and Housing<br>Director      | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Building Inspection Manager                  | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Building Official                            | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Building Permit Technician                   | 2.00               | 2.00               | 3.00               | 3.00               | 0.00              |
| Building/NP Inspector*                       | 6.00               | 9.00               | 8.00               | 7.00               | (1.00)            |
| Code Enforcement Officer                     | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Electrical Building Inspector                | 1.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Housing and Neighborhood<br>Services Manager | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |

| POSITIONS                       | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Housing Authority Administrator | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Housing Neighborh'd Specialist  | 2.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Office Assistant II             | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Office Specialist               | 1.00               | 1.00               | 0.00               | 0.00               | 0.00              |
| Permit Center Manager           | 0.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Plan Check Engineer             | 2.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Plan Checker*                   | 1.00               | 1.00               | 2.00               | 1.00               | (1.00)            |
| Plan Review Manager             | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Senior Administrative Analyst   | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Senior Building Inspector       | 1.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Senior Plan Check Engineer      | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Sr. Code Enforcement Officer    | 1.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| <b>Total Positions</b>          | <b>24.00</b>       | <b>33.00</b>       | <b>33.00</b>       | <b>31.00</b>       | <b>(2.00)</b>     |

\*1.0 Building Inspector and 1.0 Plan Checker are defunded.

## Expenditures by Function



## Budget Reconciliation

|   | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>  | <b>33.00</b>  | <b>\$6,948,858</b>        | <b>\$2,307,302</b>      | <b>\$9,256,160</b>    |
| <b>One-Time Prior Year Budget Adjustments</b>   |               |                           |                         |                       |
| Housing Element Consultant  |               | (80,000)                  |                         | (80,000)              |
| <b>One-Time Prior Year Budget Adjustments</b>   | <b>0.00</b>   | <b>(80,000)</b>           | <b>0</b>                | <b>(80,000)</b>       |
| <b>Adjustments to Costs of Ongoing Activities</b>   |               |                           |                         |                       |
| Salary and Benefits   |               | (25,137)                  | 127,919                 | 102,782               |
| Plan Review Staffing Reduction (1.0 Plan Checker; Council Approval 02/16/21)              | (1.00)        | (187,500)                 |                         | (187,500)             |
| Building Inspector Staffing Reduction (1.0 Building Inspector; Council Approval 02/16/21) | (1.00)        | (182,853)                 |                         | (182,853)             |
| Building Safety Career Entry Program Elimination (Council Approval 02/16/21)              |               | (634,948)                 |                         | (634,948)             |
| Equipment Replacement Amortization  |               | (4,666)                   |                         | (4,666)               |
| <b>Adjustments to Costs of Ongoing Activities</b>   | <b>(2.00)</b> | <b>(1,035,104)</b>        | <b>127,919</b>          | <b>(907,185)</b>      |
| <b>Total FY 2021-22 Budget</b>  | <b>31.00</b>  | <b>\$5,833,754</b>        | <b>\$2,435,221</b>      | <b>\$8,268,975</b>    |

\*1.0 Building Inspector and 1.0 Plan Checker are defunded.



# Engineering

**Director of Engineering/City Engineer: Steven Erickson**

## Mission Statement

The Engineering Department provides resources to enhance and improve City infrastructure through the design, management, and construction of public improvements, including the administration of various public works programs in a safe, coordinated, timely, and cost-effective manner with responsive service to the entire community.

## Description

The Department provides professional engineering services for the completion of the City's annual Capital Improvement Program (CIP), performs construction inspection services for both capital projects and private development construction impacting streets and the public right-of-way. Department staff provide review and plan check services for private development project drawings and maps to ensure compliance with adopted city standards, and they administer encroachment permits for construction work within the public right-of-way. Department staff participate in regional programs and coordinate with local agencies in the areas of flood control, urban runoff, and transportation. The Engineering Department has three functions: Design & Construction, Land Development, and Transportation & Traffic.



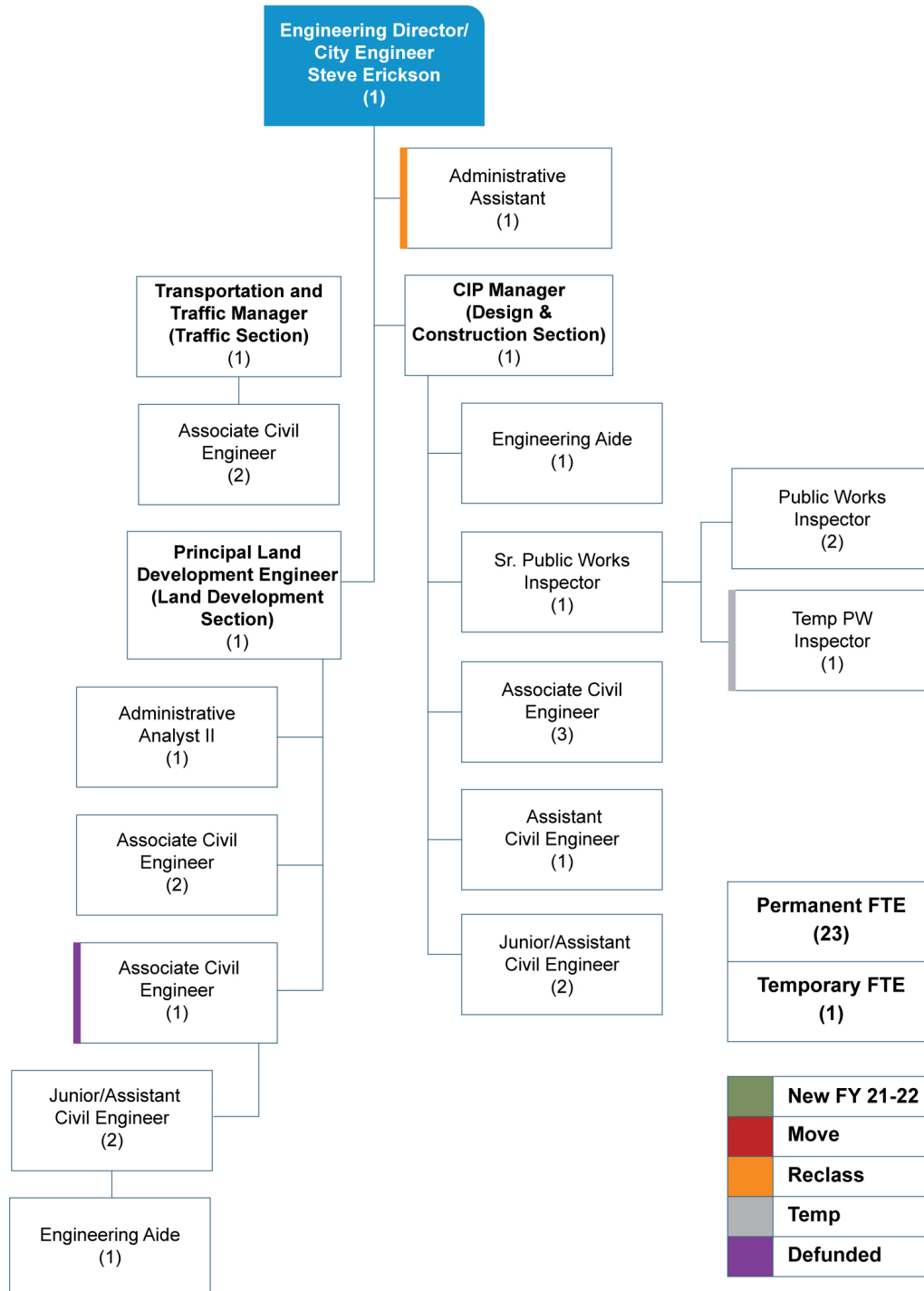
### Services

- The Engineering Director/City Engineer leads the Department, including the allocation of resources, determination of staff assignments, and oversees the workload to ensure that infrastructure and work constructed within the City's right-of-way is completed in accordance with industry standards, City codes, state, and federal regulations to protect public health and safety.
- Design & Construction staff oversee the preparation of construction documents, administer and manage construction contracts for the completion of the city's Capital Improvement Program (CIP). Design & Construction Section staff, in conjunction with the Finance Department, create the annual 5-year Capital Improvement Program (CIP) document which funds and prioritizes the completion of capital projects for streets, water, sewer, storm drain utilities, parks, and community infrastructure. Design & Construction Inspection staff review city capital and private development construction projects for compliance with the City standards.
- Land Development staff manage right-of-way encroachments and review private development plans and maps for conformance with City Standards, local, state and federal requirements. Staff ensure private development projects provide required public infrastructure in accordance with development Conditions of Approval. Land Development staff manage encroachment permits for construction within City streets and the public right-of-way, regulate development within the designated floodplain, maintain the City's Community Rating System (CRS) flood insurance rating, and manage the city's record drawing library of city infrastructure.
- Transportation & Traffic engineering staff provide technical review and evaluation of traffic and transportation studies related to development within the City. Staff oversees the operation and timing of traffic signals to ensure safe and efficient operation, reviews construction documents for streets and transportation projects, manages the City's pavement condition index, and completion of annual pavement resurfacing projects.















# Engineering
















|     | <b>Accomplishments</b>  | Community Wellness and Open Space   | Economic Development and Job Growth   | Environment  | Governance & Administration   | Neighborhoods and Housing   | Public Safety   | Transportation and Transit  |
|-----|---|---|---|--|---|---|---|---|
|     |   |  |  |  |  |  |  |  |
| 1.  | CIP 2008 Montague/Piper Pedestrian Bridge                         |   |   |  |   |   |   | ✓   |
| 2.  | CIP 3447 Fire Station 2 Building Construction                     |   |   |  |   |   | ✓   |   |
| 3.  | CIP 3447 Fire Station 2, Temp Station                             |   |   |  |   |   | ✓   |   |
| 4.  | CIP 3447 Fire Station 2 Demolition                                |   |   |  |   |   | ✓   |   |
| 5.  | CIP 3447 Fire Station 2 Traffic Signal                            |   |   |  |   |   | ✓   | ✓   |
| 6.  | CIP 3448 Trails, Bicycle, Pedestrian Master Plan                  |   |   |  | ✓   |   | ✓   | ✓   |
| 7.  | CIP 3452 Valley Water Creek Project Coordination                  | ✓   |   |  |   |   | ✓   |   |
| 8.  | CIP 3454/3458 Enhanced Crosswalk, Beacons, Speed Feedback Signage |   |   |  |   |   | ✓   | ✓   |
| 9.  | CIP 4292 McCarthy/Sandisk Traffic Signal                          |   |   |  |   |   | ✓   | ✓   |
| 10. | CIP 4298 Street Resurfacing                                       |   |   |  |   |   | ✓   | ✓   |

|     | <b>Initiatives</b>                                    | Community Wellness and Open Space   | Economic Development and Job Growth   | Environment  | Governance & Administration   | Neighborhoods and Housing   | Public Safety   | Transportation and Transit  |
|-----|---|---|---|--|---|---|---|---|
|     |   |  |  |  |  |  |  |  |
| 1.  | CIP 2016 S. Milpitas Vehicle Bridge                   |   |   |  |   |   | ✓   | ✓   |
| 2.  | CIP 2018 Pedestrian Bridge Montague/ Penitencia Creek |   |   |  |   |   | ✓   | ✓   |
| 3.  | CIP 2021 Costa Street Plan Line                       |   |   |  |   |   |   | ✓   |
| 4.  | CIP 2022 Light Rail POC Feasibility                   |   |   |  |   |   | ✓   | ✓   |
| 5.  | CIP 2023 TANGO Area Park                              | ✓   |   |  |   |   |   |   |
| 6.  | CIP 3418 City Std. Drawing and Specification          |   |   |  | ✓   |   |   |   |
| 7.  | CIP 3452 Valley Water Creek Project Coordination      | ✓   |   |  |   |   | ✓   |   |
| 8.  | CIP 4296 Landess Ave. Resurfacing                     |   |   |  |   |   | ✓   | ✓   |
| 9.  | CIP 4298/4283 Annual Street Resurfacing               |   |   |  |   |   | ✓   | ✓   |
| 10. | CIP 5114 MSC Master Plan                              |   |   |  | ✓   |   |   |   |

## Performance and Workload Measures

| PERFORMANCE MEASURES  | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Mandated FEMA / CRS goals achieved  |  | 100%            | 100%            | 100%            | 100%              | 100%            |
| State mandated storm water permit goals achieved  |  | 100%            | 100%            | 100%            | 100%              | 100%            |
| CIP projects completed on schedule / budget (no additional time/budget requested)                                   |  | 90%             | 100%            | 100%            | 100%              | 100%            |
| Number of Encroachment Permits for subdivisions and major projects/% first review completed within 45 calendar days |  | N/A             | 10/90%          | 8/100%          | 8/100%            | 6/100%          |
| Number of Minor Encroachment Permits/% first review completed within 30 calendar days                               |  | N/A             | 242/90%         | 245/100%        | 200/100%          | 220/100%        |

| ACTIVITY AND WORKLOAD DATA                          | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Value of CIP construction contracts awarded         |  | \$29M           | \$9M            | \$15M           | \$24.6M           | \$10.2M         |
| Construction contracts awarded                      |  | 10              | 12              | 6               | 6                 | 8               |
| CIP & Private Development Projects Completed        |  | 5               | 10              | 15              | 21                | 16              |
| Professional services contracts awarded             |  | 10              | 20              | 10              | 21                | 11              |
| Encroachment permits reviewed and approved          |  | 155             | 221             | 200             | 200               | 220             |
| Number of Encroachment Permit Inspections Completed |  | N/A             | 2,434           | 1,550           | 2,280             | 2,300           |

# Budget Summary

| DOLLARS BY FUNCTION*        | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|-----------------------------|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|
| Design & Construction*      | \$849,732          | \$917,688          | \$1,389,437        | \$1,158,233         | (\$231,204)          | (16.6)%             |
| Engineering Administration* | 428,954            | 487,691            | 388,221            | 357,424             | (30,797)             | (7.9)%              |
| Land Development            | 1,831,428          | 1,752,189          | 2,072,911          | 1,691,177           | (381,734)            | (18.4)%             |
| Traffic Engineering*        | 263,311            | 406,375            | 524,200            | 641,147             | 116,947              | 22.3%               |
| <b>TOTAL</b>                | <b>\$3,373,425</b> | <b>\$3,563,943</b> | <b>\$4,374,769</b> | <b>\$3,847,981</b>  | <b>(\$526,788)</b>   | <b>(12.0)%</b>      |

| DOLLARS BY CATEGORY*                | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|-------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>           |                   |                   |                    |                     |                      |                     |
| <b>4111</b> Permanent Salaries      | \$1,594,623       | \$1,822,966       | \$1,809,501        | \$1,574,686         | (\$234,815)          | (13.0)%             |
| <b>4112</b> Temporary Salaries      | 42,453            | 9,396             | 131,522            | 108,873             | (22,649)             | (17.2)%             |
| <b>4113</b> Overtime                | 6,871             | 3,058             | 22,000             | 8,500               | (13,500)             | (61.4)%             |
| <b>4121</b> Allowances              | 0                 | 6,600             | 6,600              | 5,851               | (749)                | (11.3)%             |
| <b>4124</b> Leave Cashout           | 66,496            | 43,972            | 0                  | 0                   | 0                    | 0.0%                |
| <b>4131</b> PERS                    | 611,664           | 731,481           | 1,061,073          | 1,101,229           | 40,156               | 3.8%                |
| <b>4132</b> Group Insurance         | 269,873           | 293,755           | 472,825            | 528,611             | 55,786               | 11.8%               |
| <b>4133</b> Medicare                | 25,079            | 27,418            | 49,032             | 48,056              | (976)                | (2.0)%              |
| <b>4135</b> Worker's Compensation   | 13,751            | 3,787             | 18,654             | 18,209              | (445)                | (2.4)%              |
| <b>4138</b> Deferred Comp-Employer  | 15,128            | 19,950            | 21,600             | 19,804              | (1,796)              | (8.3)%              |
| <b>4139</b> PARS                    | 436               | 0                 | 324                | 0                   | (324)                | (100.0)%            |
| <b>4141</b> Adjustments-Payroll     | 0                 | 0                 | 0                  | (22,168)            | (22,168)             | 0.0%                |
| <b>4146</b> Short Term Disability   | 0                 | 0                 | 2,016              | 1,920               | (96)                 | (4.8)%              |
| <b>4161</b> Retiree Medical Reserve | 140,640           | 145,527           | 156,941            | 32,737              | (124,204)            | (79.1)%             |
| <b>sub-total</b>                    | <b>2,787,014</b>  | <b>3,107,910</b>  | <b>3,752,088</b>   | <b>3,426,308</b>    | <b>(325,780)</b>     | <b>(8.7)%</b>       |

|  |        |        |        |        |         |         |
|--|--------|--------|--------|--------|---------|---------|
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b>     |        |        |        |        |         |         |
| <b>4200</b> Community Promotion, Grant/ Loan | 78,585 | 0      | 0      | 0      | 0       | 0.0%    |
| <b>4210</b> Department Allocations           | 23,594 | 25,423 | 13,181 | 11,723 | (1,458) | (11.1)% |
| <b>4220</b> Supplies                         | 12,714 | 9,737  | 14,750 | 9,750  | (5,000) | (33.9)% |

\*For FY 2021-22, costs for staff for three functions in the Engineering Department totaling \$1,625,027, which directly support the Capital Improvement Program, are charged to the capital projects as follows: Engineering Administration (\$189,835); Design & Construction (\$1,275,930); and Traffic Engineering (\$159,262). These costs are not included in this presentation.

| DOLLARS BY CATEGORY* |                                 | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|----------------------|---------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| 4230                 | Services                        | 2,281,273         | 1,486,349         | 582,400            | 392,850             | (189,550)            | (32.5)%             |
| 4240                 | Repair & Maintenance            | 15,685            | 0                 | 0                  | 0                   | 0                    | 0.0 %               |
| 4500                 | Training, Travel, & Memberships | 5,875             | 2,580             | 12,350             | 7,350               | (5,000)              | (40.5)%             |
| sub-total            |                                 | 2,417,726         | 1,524,089         | 622,681            | 421,673             | (201,008)            | (32.3)%             |
| TOTAL                |                                 | \$5,204,740       | \$4,631,999       | \$4,374,769        | \$3,847,981         | (\$526,788)          | (12.0)%             |

## Staffing

| POSITIONS BY FUNCTION      | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|----------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Design & Construction      | 9.00               | 11.00              | 11.00              | 11.00              | 0.00              |
| Engineering Administration | 2.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Land Development*          | 9.00               | 9.00               | 8.00               | 7.00               | (1.00)            |
| Traffic Engineering        | 3.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| TOTAL                      | 23.00              | 25.00              | 24.00              | 23.00              | (1.00)            |

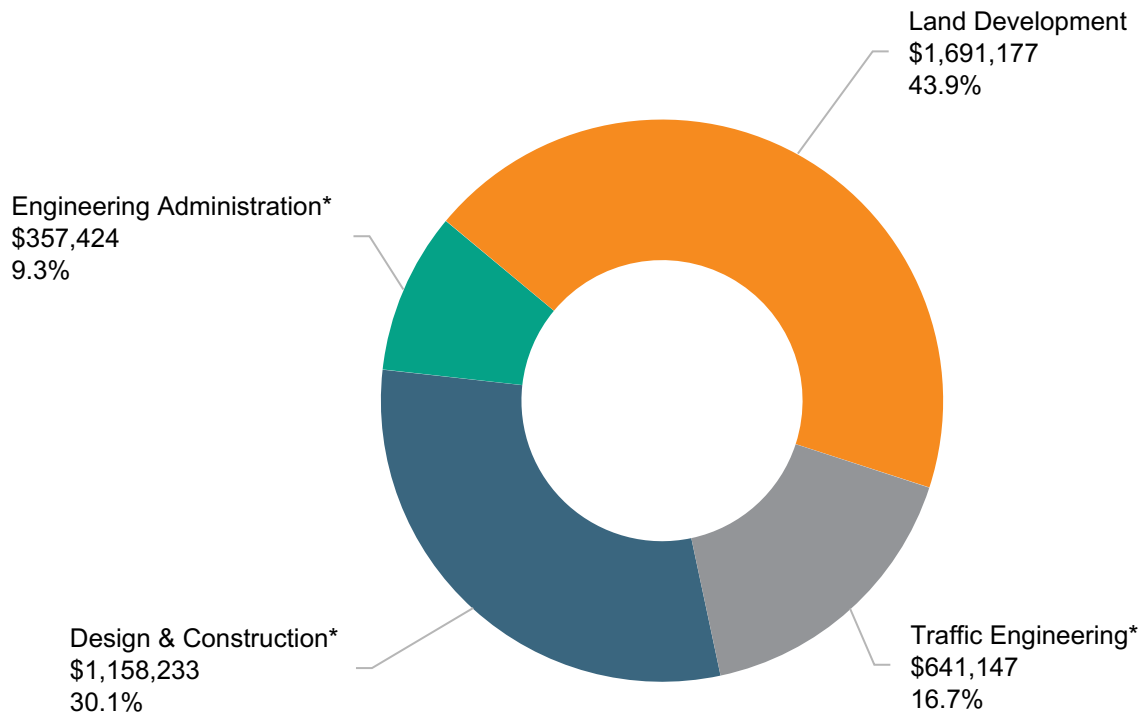
\*1.0 Associate Civil Engineering in Land Development is defunded.

| POSITIONS                     | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Administrative Analyst II     | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Assistant City Engineer       | 0.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Assistant Civil Engineer      | 2.00               | 5.00               | 4.00               | 4.00               | 0.00              |
| Associate Civil Engineer*     | 7.00               | 7.00               | 8.00               | 7.00               | (1.00)            |
| CIP Manager                   | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Engineering Aide              | 2.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Engineering Director/City Eng | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Executive Assistant           | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Executive Secretary           | 1.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| GIS Technician                | 0.00               | 1.00               | 0.00               | 0.00               | 0.00              |
| Junior Civil Engineer         | 2.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Principal Civil Engineer      | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Public Information Specialist | 1.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Public Works Inspector        | 2.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Secretary                     | 0.00               | 0.00               | 0.00               | 0.00               | 0.00              |

| POSITIONS                      | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Senior Public Works Inspector  | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Traffic Engineer               | 1.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Transportation and Traffic Mgr | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| <b>Total Positions</b>         | <b>23.00</b>       | <b>25.00</b>       | <b>24.00</b>       | <b>23.00</b>       | <b>(1.00)</b>     |

\*1.0 Associate Civil Engineering in Land Development is defunded.

## Expenditures by Function





\*For FY 2021-22, costs for staff for three functions in the Engineering Department totaling \$1,625,027, which directly support the Capital Improvement Program, are charged to the capital projects as follows: Engineering Administration (\$189,835); Design & Construction (\$1,275,930); and Traffic Engineering (\$159,262). These costs are not included in this presentation.

## Budget Reconciliation

|   | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>  | <b>24.00</b>  | <b>\$4,154,819</b>        | <b>\$219,950</b>        | <b>\$4,374,769</b>    |
| <b>Adjustments to Costs of Ongoing Activities</b>   |               |                           |                         |                       |
| Salary and Benefits   |               | 135,876                   |                         | 135,876               |
| Engineering Staff Capital Improvement Program Funding Alignment                                 |               | (204,512)                 |                         | (204,512)             |
| Land Development Staffing Reduction (1.0 Associate Civil Engineer; Council approval 02/16/21)*  | (1.00)        | (210,605)                 |                         | (210,605)             |
| Equipment Replacement Amortization  |               | (1,458)                   |                         | (1,458)               |
| Non-Personnel Expenditure Alignment to Historical Trend   |               | (14,824)                  | 21,750                  | 6,926                 |
| Overtime Adjustment   |               | (7,500)                   |                         | (7,500)               |
| Temporary Salary Reduction  |               | (22,345)                  |                         | (22,345)              |
| Reclassification of Executive Assistant to Administrative Assistant (Council Approval 03/16/21) |               | (22,170)                  |                         | (22,170)              |
| <b>Adjustments to Costs of Ongoing Activities</b>   | <b>(1.00)</b> | <b>(347,538)</b>          | <b>21,750</b>           | <b>(325,788)</b>      |
| <b>Total FY 2021-22 Base Budget</b>   | <b>23.00</b>  | <b>3,807,281</b>          | <b>241,700</b>          | <b>4,048,981</b>      |
| <b>Service Level Changes</b>  |               |                           |                         |                       |
| USA Locate Contract Reduction   |               | (67,000)                  | (134,000)               | (201,000)             |
| <b>Total Service Level Changes</b>  | <b>0.00</b>   | <b>(67,000)</b>           | <b>(134,000)</b>        | <b>(201,000)</b>      |
| <b>Total FY 2021-22 Budget</b>  | <b>23.00</b>  | <b>\$3,740,281</b>        | <b>\$107,700</b>        | <b>\$3,847,981</b>    |

\*1.0 Associate Civil Engineering in Land Development is defunded.

# Service Level Changes

|                                  | Positions   | General Fund Expenditures   | Other Fund Expenditures | All Fund Expenditures |             |
|----------------------------------|---|---|-------------------------|-----------------------|-------------|
| 1. USA Locate Contract Reduction | 0.00  | (\$67,000)  | (\$134,000)             | (\$201,000)           |             |
|                                  | This action eliminates contractual funding for USA Locate and allocates some of the funding to establish the program in the Public Works Department effective October 31, 2021. |   |                         |                       |             |
|                                  | Performance Impact  |   |                         |                       |             |
|                                  | No performance impacts are anticipated because the service level will remain the same.  |   |                         |                       |             |
|                                  | Mitigation  |   |                         |                       |             |
|                                  | No mitigation measures identified because service level is not reduced.   |   |                         |                       |             |
| Total Service Level Changes      |   | 0.00  | (\$67,000)              | (\$134,000)           | (\$201,000) |



# Finance

**Finance Director:** Lauren Lai, CPA, MPA

## Mission Statement

The Finance Department is dedicated to providing accurate, credible and timely financial information to support sound fiscal management and professional customer service to Milpitas residents, the business community, the City Council, and internal staff.

## Description

Finance provides a key service role to all departments, the City Council, and the public and manages the City's financial operations in accordance with industry standards and established fiscal policies. Prudent fiscal stewardship, customer service, compliance, strategic planning, transparency and effective financial reporting are key elements of its mission. The department is organized into three functions: Administration, Operations, and Fiscal Services - Utilities; each provides essential customer services and support to City departments, the City Council, and the public.

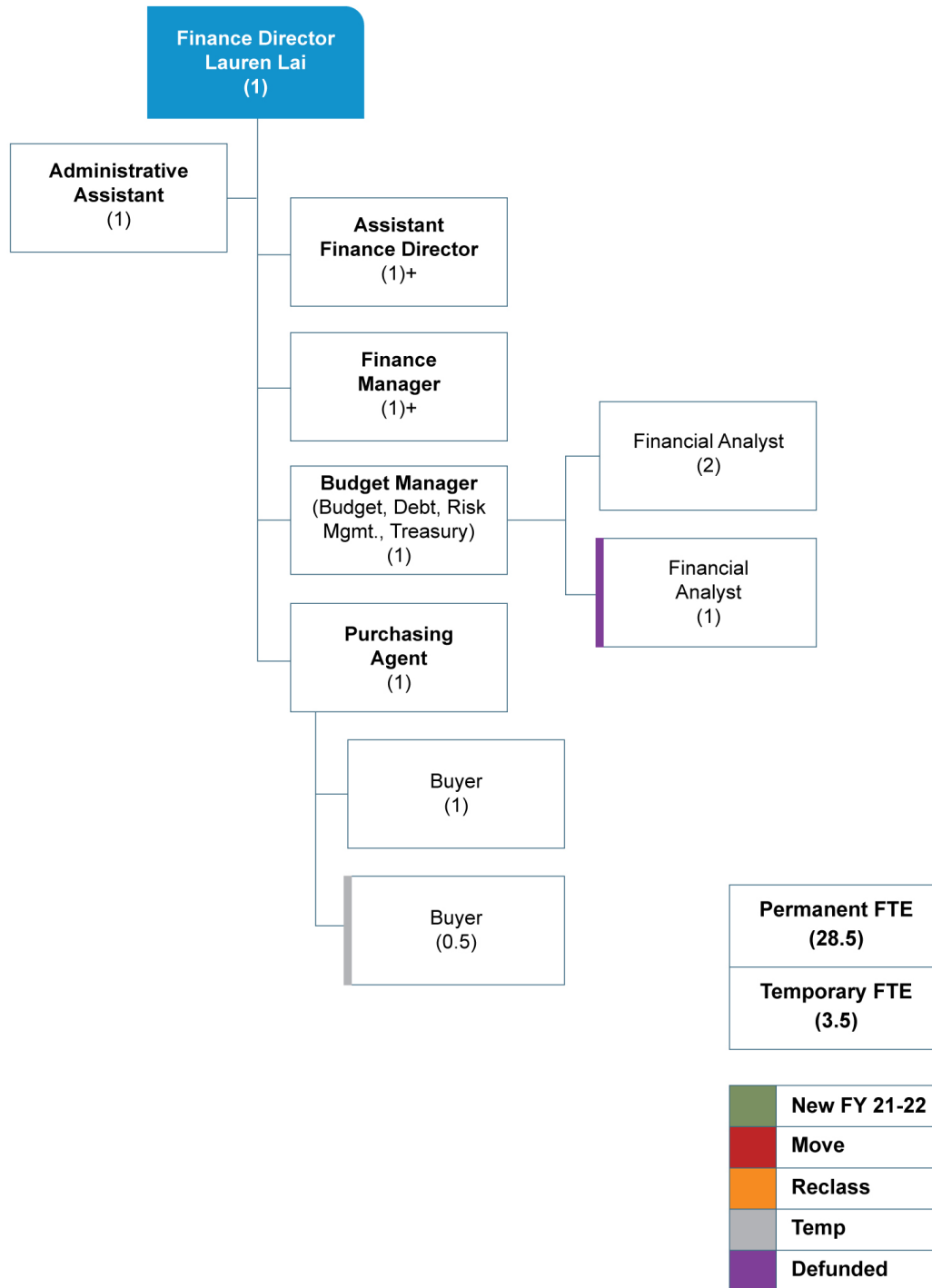


### Services

- Acts as an adviser to the City Manager, City Council and Departments in the areas of financial planning and fiscal analysis. Provides leadership in the development and implementation of sound financial policies for the City.
- Develops the Ten-Year General Fund Financial Forecast.
- Develops the annual Operating Budget on behalf of the City Manager including projection of revenues and expenditures; coordinates the preparation and publication of the Operating Budget document; and makes the annual budget available through its transparency tool.
- Prepares the Annual Financial Report in accordance with Generally Accepted Accounting Principles and pronouncements of the Governmental Accounting Standards Board (GASB).
- Prepares and maintains accurate financial records including grants, capital projects, enterprise funds, governmental funds, and fixed assets and files required grant reports with local, state, and federal agencies.
- Provides operating departments with timely and clear financial performance reports to assist them in their daily decision making.
- Monitors all the capital projects that have external funding sources to ensure collection of funds.
- Collects and records all City revenues including property tax, sales tax, various service fees, utility payments, business licenses, franchise fees and transient occupancy taxes.
- Provides customer service to the City's utility customers, including billing, new account setups, inquiries and meter readings.
- Procures goods and services at competitive prices and in compliance with Federal and State laws and City ordinances on behalf of City departments.
- Invests the City's idle cash in accordance with the Council approved Investment Policy to ensure that there is sufficient cash available to meet operating needs while maintaining safety, liquidity and competitive returns on the investment portfolio.
- Manages the City's and Successor Agency's outstanding bonds by ensuring timely payments, performance of arbitrage calculations and filing of required continual disclosure reports.
- Manages all the tort claims against the City and represents the City in the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA) Board.
- Processes all the payments for goods and services timely and accurately.
- Issues payroll checks and benefits payments bi-weekly and files all the required Federal and State payroll tax withholding reports.
- Processes outgoing mail and distributing distributes incoming mail citywide.

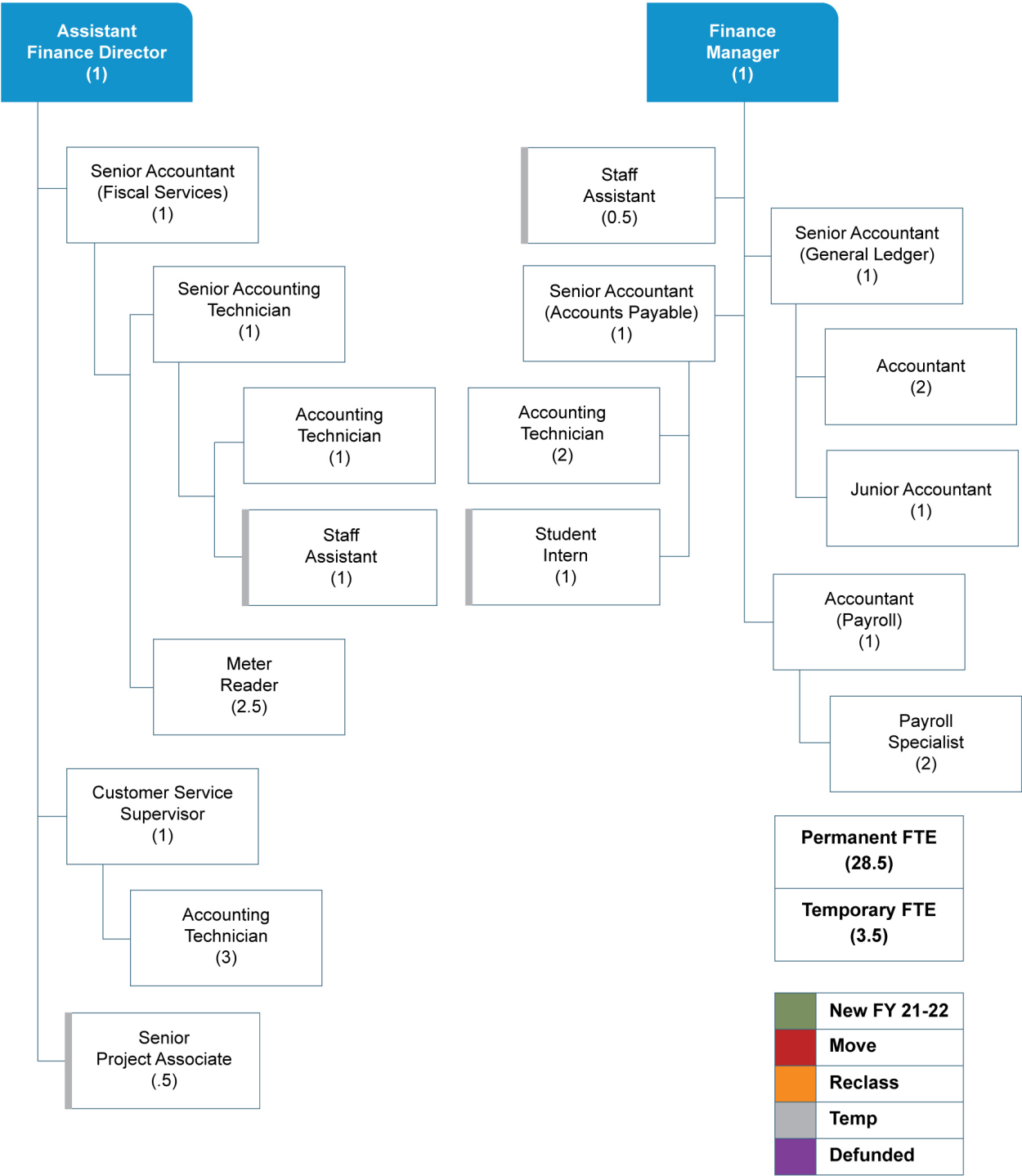


# Finance Department



+Detailed org chart on following pages

Finance Department













| Accomplishments |   | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|-----------------|---|---|---|--|---|---|---|---|
|                 |   |  |  |  |  |  |  |  |
| 1.              | Rebalanced the budget due to COVID-19 economic impacts  |   |   |  | ✓   |   |   |   |
| 2.              | Implemented invoice for online payments including misc AR, employee reimbursements, implemented upgrade of current ERP, implemented online business license application, online credit card payment       | ✓   |   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 3.              | Implemented citywide contract management system (ProcureNow)  | ✓   |   |  | ✓   | ✓   | ✓   | ✓   |
| 4.              | Received GFOA and CSMFO award for Adopted Budget Book and GFOA award for Comprehensive Annual Financial Report.   |   |   |  | ✓   |   |   |   |
| 5.              | Assisted with energy savings company project and obtained financing   |   | ✓   | ✓  | ✓   |   |   |   |
| 6.              | Upgraded current ERP (Cayenta) to include new modules Connect Finance, Employee and Managers Self-Service Portal  |   |   |  | ✓   |   |   |   |
| 7.              | Improved financial reporting for departments (Department Budget Book, Management Reports and Trend Analysis) through replacement of manual reports with online analytic reporting/visualization (Tableau) |   |   |  | ✓   |   |   |   |
| 8.              | Managed the issuance of \$13 million in Lease Revenue Bonds for the construction of Fire Station #2 to achieve an outstanding credit rating   |   | ✓   |  | ✓   |   |   |   |
| 9.              | Implemented online business license applications and online payment system for miscellaneous accounts receivable items  | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 10.             | Assisted with the development of CIP budget in OpenGov.   |   |   |  | ✓   |   |   |   |

| Initiatives | Community Wellness and Open Space   | Economic Development and Job Growth   | Environment  | Governance & Administration   | Neighborhoods and Housing   | Public Safety   | Transportation and Transit  |
|-------------|---|---|--|---|---|---|---|
|             |    |  |  |  |  |  |  |
| 1.          | Review and maximize the funding from the American Rescue Plan Act   |   |  | ✓   |   |   |   |
| 2.          | Review and maximize FEMA reimbursements for COVID-19 Expenditures   |   |  | ✓   |   |   |   |
| 3.          | Implement a Loss Prevention Program including analysis of department loss and related claims experience                   | ✓   |  | ✓   | ✓   | ✓   | ✓   |
| 4.          | Continue to review and update finance related standard operating procedures   |   |  | ✓   |   |   |   |
| 5.          | Established a Section 115 Pension Trust to stabilize future PERS contribution rate  |   |  | ✓   |   |   |   |
| 6.          | Continue to update Finance desk procedures for succession planning  |   |  | ✓   |   |   |   |
| 7.          | Continue to build ETL (extract, load and transform) workflows to replace manual reporting processes and enhance reporting |   |  | ✓   |   |   |   |
| 8.          | Support Public Works with the implementation of the Automated Meter Infrastructure project                                |   | ✓  | ✓   | ✓   |   |   |
| 9.          | Implement new banking services  |   |  | ✓   |   |   |   |
| 10.         | Create plan for implementation and oversight of Measure F   | ✓   |  | ✓   |   |   |   |



## Performance and Workload Measures

| PERFORMANCE MEASURES  | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Consecutive years receiving award for Distinguished Budget Presentation |  | 18              | 19              | 20              | 20                | 21              |
| Consecutive years receiving award for Excellence in Financial Reporting |  | 25              | 26              | 27              | 27                | 28              |
| Tort Claims Resolved within 180 Days                                    |  | 76%             | 70%             | 65%             | 63%               | 70%             |
| Average number of days from approved invoice received to check issuance |  | 5               | 4.71            | 4               | 4                 | 4               |
| Customers rating service as good or excellent                           |  | N/A             | 71%             | 75%             | N/A               | 75%             |

| ACTIVITY AND WORKLOAD DATA                                     | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|--|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Number of Contracts Processed                                  |   | 217             | 224             | 210             | 240               | 260             |
| Number of Vendor Invoices Paid                                 |  | 22,050          | 22,998          | 22,000          | 22,300            | 24,000          |
| Number of Utility Bills Issued                                 |  | 89,904          | 92,310          | 92,500          | 92,250            | 92,500          |
| Number of Regulatory Reports Submitted to Appropriate Agencies |  | 82              | 75              | 70              | 85                | 85              |
| Number of Payroll Checks Paid                                  |  | 12,491          | 14,263          | 14,500          | 11,827            | 12,500          |



# Budget Summary

| DOLLARS BY FUNCTION       | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|---------------------------|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|
| Finance Administration    | \$1,747,015        | \$2,165,988        | \$2,233,888        | \$2,117,398         | (\$116,490)          | (5.2)%              |
| Finance Operations        | 3,198,784          | 3,225,002          | 1,988,717          | 1,813,552           | (175,165)            | (8.8)%              |
| Fiscal Services-Utilities | 0                  | 71,072             | 1,899,203          | 1,945,141           | 45,938               | 2.4%                |
| <b>TOTAL</b>              | <b>\$4,945,799</b> | <b>\$5,462,062</b> | <b>\$6,121,808</b> | <b>\$5,876,091</b>  | <b>(\$245,717)</b>   | <b>(4.0)%</b>       |

| DOLLARS BY CATEGORY                 | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|-------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>           |                   |                   |                    |                     |                      |                     |
| <b>4111</b> Permanent Salaries      | \$2,214,851       | \$2,474,456       | \$3,201,315        | \$3,089,531         | (\$111,784)          | (3.5)%              |
| <b>4112</b> Temporary Salaries      | 206,160           | 271,858           | 202,246            | 175,950             | (26,296)             | (13.0)%             |
| <b>4113</b> Overtime                | 1,740             | 6,313             | 15,000             | 15,000              | 0                    | 0.0%                |
| <b>4121</b> Allowances              | 3,512             | 14,550            | 8,200              | 7,570               | (630)                | (7.7)%              |
| <b>4124</b> Leave Cashout           | 104,485           | 91,890            | 0                  | 0                   | 0                    | 0.0%                |
| <b>4125</b> Accrued Leave           | 26,688            | 24,377            | 0                  | 0                   | 0                    | 0.0%                |
| <b>4131</b> PERS                    | 851,011           | 993,247           | 1,019,066          | 1,072,407           | 53,341               | 5.2%                |
| <b>4132</b> Group Insurance         | 451,367           | 409,796           | 551,136            | 550,575             | (561)                | (0.1)%              |
| <b>4133</b> Medicare                | 37,046            | 41,494            | 49,527             | 47,459              | (2,068)              | (4.2)%              |
| <b>4135</b> Worker's Compensation   | 10,661            | 2,047             | 17,976             | 17,146              | (830)                | (4.6)%              |
| <b>4138</b> Deferred Comp-Employer  | 18,748            | 20,001            | 24,300             | 23,594              | (706)                | (2.9)%              |
| <b>4139</b> PARS                    | 1,495             | 3,086             | 3,088              | 1,178               | (1,910)              | (61.9)%             |
| <b>4143</b> Charged to CIPs         | 0                 | 0                 | 0                  | (71,758)            | (71,758)             | 0.0%                |
| <b>4146</b> Short Term Disability   | 0                 | 0                 | 2,478              | 2,403               | (75)                 | (3.0)%              |
| <b>4161</b> Retiree Medical Reserve | 130,032           | 142,516           | 147,160            | 25,225              | (121,935)            | (82.9)%             |
| <b>sub-total</b>                    | <b>4,057,796</b>  | <b>4,495,631</b>  | <b>5,241,492</b>   | <b>4,956,280</b>    | <b>(285,212)</b>     | <b>(5.4)%</b>       |

|   |                |                |                |                |               |             |
|---|----------------|----------------|----------------|----------------|---------------|-------------|
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b>    |                |                |                |                |               |             |
| <b>4210</b> Department Allocations          | 15,769         | 19,166         | 18,450         | 18,075         | (375)         | (2.0)%      |
| <b>4220</b> Supplies                        | 68,018         | 71,434         | 126,850        | 130,008        | 3,158         | 2.5%        |
| <b>4230</b> Services                        | 766,239        | 833,882        | 652,451        | 690,095        | 37,644        | 5.8%        |
| <b>4240</b> Repair & Maintenance            | 20,770         | 6,651          | 47,500         | 47,750         | 250           | 0.5%        |
| <b>4500</b> Training, Travel, & Memberships | 13,908         | 9,409          | 35,065         | 33,885         | (1,180)       | (3.4)%      |
| <b>sub-total</b>                            | <b>884,704</b> | <b>940,542</b> | <b>880,316</b> | <b>919,813</b> | <b>39,497</b> | <b>4.5%</b> |

| DOLLARS BY CATEGORY   |                              | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|-----------------------|------------------------------|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|
| <b>CAPITAL OUTLAY</b> |                              |                    |                    |                    |                     |                      |                     |
| <b>4870</b>           | Machinery and Equipment      | 0                  | 25,889             | 0                  | 0                   | 0                    | 0.0%                |
| <b>4920</b>           | Machinery, Tools & Equipment | 3,299              | 0                  | 0                  | 0                   | 0                    | 0.0%                |
| <b>sub-total</b>      |                              | <b>3,299</b>       | <b>25,889</b>      | <b>0</b>           | <b>0</b>            | <b>0</b>             | <b>0.0%</b>         |
| <b>TOTAL</b>          |                              | <b>\$4,945,799</b> | <b>\$5,462,062</b> | <b>\$6,121,808</b> | <b>\$5,876,091</b>  | <b>(\$245,717)</b>   | <b>(4.0)%</b>       |

## Staffing

| POSITIONS BY FUNCTION     | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|---------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Finance Administration*   | 8.00               | 10.00              | 9.00               | 8.00               | (1.00)            |
| Finance Operations        | 19.50              | 19.50              | 11.00              | 12.00              | 1.00              |
| Fiscal Services-Utilities | 0.00               | 0.00               | 9.50               | 8.50               | (1.00)            |
| <b>TOTAL</b>              | <b>27.50</b>       | <b>29.50</b>       | <b>29.50</b>       | <b>28.50</b>       | <b>(1.00)</b>     |

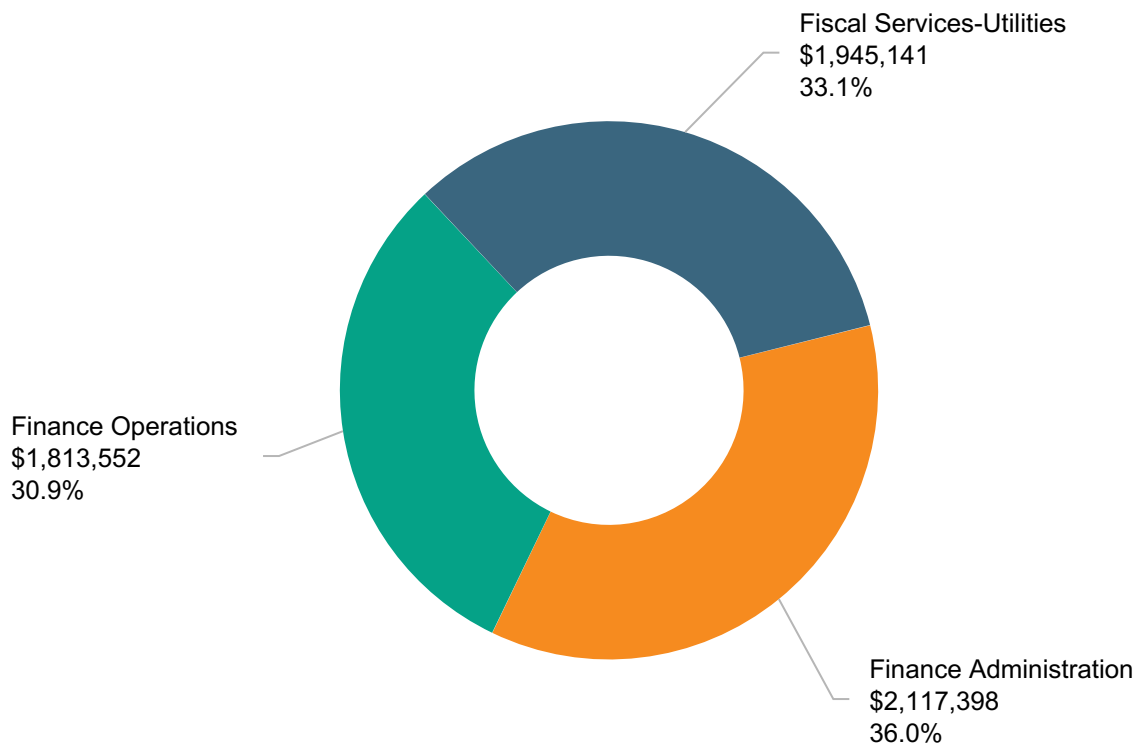
\*1.0 Financial Analyst is defunded. 1.0 Accounting Technician was moved from Fiscal Services - Utilities to Finance Operations.

| POSITIONS                    | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Accountant                   | 2.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Accounting Technician        | 1.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Accounting Technician I/II   | 0.00               | 6.00               | 6.00               | 6.00               | 0.00              |
| Administrative Assistant     | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Assistant Finance Director   | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Budget Manager               | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Buyer                        | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Customer Services Supervisor | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Director of Finance          | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Finance Manager              | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Finance Technician           | 0.00               | 1.00               | 0.00               | 0.00               | 0.00              |
| Financial Analyst*           | 2.00               | 2.00               | 3.00               | 2.00               | (1.00)            |
| Fiscal Assistant I           | 3.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Fiscal Assistant II          | 7.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Junior Accountant            | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |

| POSITIONS                    | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Payroll Specialist           | 0.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Purchasing Agent             | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Senior Accountant            | 4.00               | 4.00               | 4.00               | 4.00               | 0.00              |
| Senior Accounting Technician | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Water Meter Reader II        | 2.50               | 2.50               | 2.50               | 2.50               | 0.00              |
| <b>Total Positions</b>       | <b>27.50</b>       | <b>29.50</b>       | <b>29.50</b>       | <b>28.50</b>       | <b>(1.00)</b>     |

\*1.0 Financial Analyst is defunded.

## Expenditures by Function



## Budget Reconciliation

|  | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|--|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>   | <b>29.50</b>  | <b>\$4,377,992</b>        | <b>\$1,743,816</b>      | <b>\$6,121,808</b>    |
| <b>Adjustments to Costs of Ongoing Activities</b>  |               |                           |                         |                       |
| Salary and Benefits  |               | 39,800                    | (90,274)                | (50,474)              |
| Finance Staff Capital Improvement Program Funding Alignment (Council Approved 2/16/2021)               | (1.00)        | (71,758)                  |                         | (71,758)              |
| Intern Funding   |               | (6,798)                   | 9,726                   | 2,928                 |
| Contractual Services (e.g.: Actuarial Services [15,600], Cayenta: Utility System Maintenance [24,846]) |               | 5,278                     | 32,766                  | 38,044                |
| Equipment Replacement Amortization   |               |                           | (375)                   | (375)                 |
| Risk, Debt and Investment Oversight (1.0 Financial Analyst; Council Approval 02/16/2021)               |               | (165,910)                 |                         | (165,910)             |
| Non-Personnel Expenditure Alignment to Historical Trend  |               | (980)                     | 308                     | (672)                 |
| Postage Increase for Utility Bills   |               | 2,500                     |                         | 2,500                 |
| <b>Adjustments to Costs of Ongoing Activities</b>  | <b>(1.00)</b> | <b>(197,868)</b>          | <b>(47,849)</b>         | <b>(245,717)</b>      |
| <b>Total FY 2021-22 Budget</b>   | <b>28.50</b>  | <b>\$4,180,124</b>        | <b>\$1,695,967</b>      | <b>\$5,876,091</b>    |

\*1.0 Financial Analyst is defunded.



# Fire

**Fire Chief: Brian Sherrard**

## Mission Statement

The Milpitas Fire Department is driven by the vision to provide outstanding service to the community through the core values of our mission statement. "The preservation of life, property, and the environment within the community is the reason for our existence".

The core elements of the Fire Department's budget support growth within the organization to ensure mission, succession planning for organizational stability, and the ability to be flexible with emergency response in the community.

## Description

The Milpitas Fire Department is committed to providing comprehensive emergency response, fire protection, emergency medical services, disaster preparedness, community education, risk reduction, and other related services in an efficient, effective, and caring manner to the Milpitas community. The Fire Department is organized into six functions as follows: Fire Administration; Operations Division, EMS and Training, Office of Emergency Management, Fire Prevention, and Fire Prevention Administration.





### Services

- Fire Department Administration: Directs the department in field operations, budget and fiscal policy, administrative systems and procedures, employee training and development, and labor and management issues. Fire Administration is tasked with strategic planning for the implementation of fire service best practices and ensuring response readiness for the community.
- Fire Department Operations Division: Responds to emergency incidents involving fires, medical emergencies, vehicle accidents, specialized rescues, hazardous material releases, and other risks affecting the health and welfare of the community. Personnel staff six apparatus at four stations strategically located for quick response throughout the City. Specialized actions within the division include urban search and rescue, hazardous materials response, high density housing response, and specialized response to the transit area. The Operations Division is focused on emergency response.



- Fire Department Training, Emergency Medical Services, and Safety Division: Directs firefighter training and succession planning. Operates drill grounds and training curricula to ensure readiness for all-risk response. Oversees compliance with paramedic and emergency medical technician licenses and certifications, State and local reporting and quality assurance

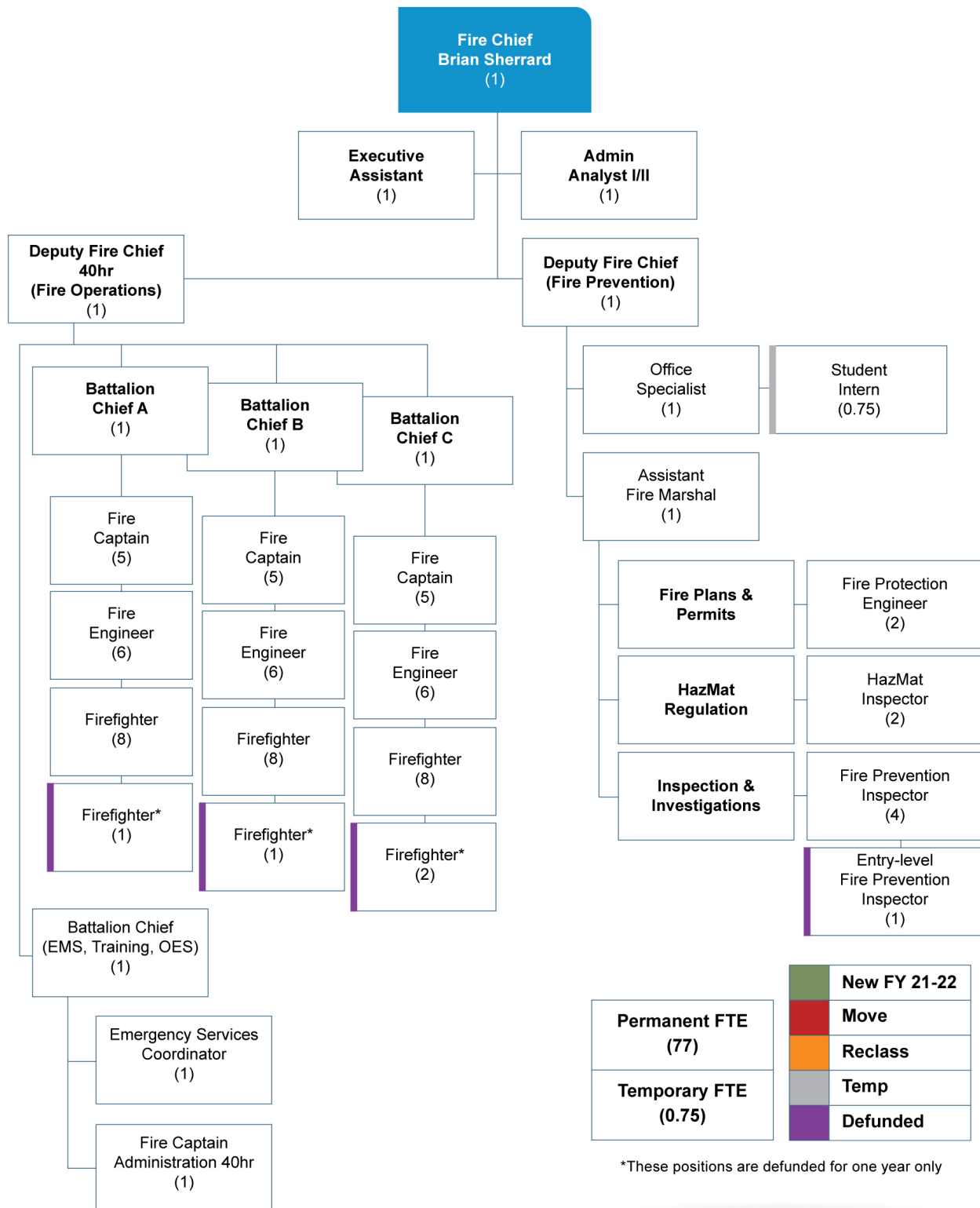
requirements, and cooperative contracts with the ambulance service provider. Ensures the readiness of the patient transport rescue ambulance. Provides safety programs to reduce the firefighter injury rate and risks.








- The Office of Emergency Management (OEM) implements disaster preparedness and response programs, outreach and education, and regional collaboration planning. Ensures citywide disaster readiness by performing Emergency Operations Center training and maintenance, community volunteer training, and care-and-shelter cache maintenance. Provides risk reduction efforts for the community by coordinating with allied agencies and non-governmental organizations.
- Fire Prevention Division: The Fire Prevention Division plans, organizes and implements all Fire Department prevention and inspection programs, including fire and arson investigations, vegetation management, hazard abatement, code enforcement, public fire safety education, plan checking, and evaluation and development of codes and ordinances. Provides fire cause and origin investigations. Conducts inspections related to fire code compliance for new construction and high-risk occupancies.















# Fire Department









|    |   | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|----|---|---|---|--|---|---|---|---|
|    | Accomplishments   |  |  |  |  |  |  |  |
| 1. | Improved employee wellness with first ever department provided employee annual medical physical evaluations |   | ✓   |  |   |   | ✓   |   |
| 2. | Opened temporary Fire Station during Fire Station Two rebuilding process.                                   |   | ✓   |  |   |   | ✓   | ✓   |
| 3. | Initiated and Operated mobile and fixed Covid-19 testing facilities   | ✓   | ✓   |  |   |   | ✓   |   |
| 4. | Initiated Citywide data analytics system (Intterra)   |   | ✓   |  | ✓   | ✓   | ✓   | ✓   |
| 5. | Purchased, trained fire personnel, and put in service new Self-Contained Breathing Apparatus                |   | ✓   |  |   |   | ✓   |   |
| 6. | Supported reimbursable Fire Season Mutual Aid with our largest aid support to date                          |   | ✓   | ✓  | ✓   | ✓   | ✓   |   |
| 7. | Completed fire academy graduating six firefighter/paramedics  |   | ✓   |  |   |   | ✓   |   |

|     |   |  |  |  |  |  |  |  |
|-----|---|---|---|--|---|---|---|---|
|     | Initiatives   |   |   |  |   |   |   |   |
| 1.  | Enhance employee safety, mental and physical health/wellness programs   | ✓   |   |  |   |   | ✓   |   |
| 2.  | Complete implementation of Lexipol Fire Department policy system  |   | ✓   |  | ✓   | ✓   | ✓   | ✓   |
| 3.  | Complete training / succession plan for each employee   |   | ✓   |  | ✓   |   | ✓   |   |
| 4.  | Work collaboratively with internal and external stakeholders to ensure Fire Station #2 construction remains on schedule and on budget | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 5.  | Develop methods to streamline plan review and inspection processes in order to address heavy workload demands during Covid-19         | ✓   | ✓   | ✓  |   |   | ✓   | ✓   |
| 6.  | Hire and train for authorized personnel vacancies in order to ensure service level is maintained                                      |   | ✓   |  | ✓   |   | ✓   |   |
| 7.  | Deploy ambulance as allowed considering financial and operational limitations   | ✓   | ✓   |  |   | ✓   | ✓   | ✓   |
| 8.  | Continue to support EOC and Covid-19 testing and vaccination initiatives  | ✓   | ✓   |  |   | ✓   | ✓   | ✓   |
| 9.  | Complete implementation of Lexipol Fire Department policy system  |   |   |  | ✓   |   | ✓   |   |
| 10. | Deploy two new Type 5 apparatus   |   |   | ✓  |   |   | ✓   |   |

## Performance and Workload Measures

| PERFORMANCE MEASURES   | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|--|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Total response time (call to arrival) to emergency calls (minutes) *                                       |  | N/A*            | 7:24            | 7:30            | 8:10              | 7:30            |
| State mandated fire occupancy inspections completed annually   |  | 1,086           | 1,138           | 100%            | 1,237             | 100%            |
| Effective Response Force (First Alarm) for assembling a complete response on all structure fires (minutes) |  | N/A*            | 11:15           | 11:30           | 11:16             | 11:30           |

| ACTIVITY AND WORKLOAD DATA                              | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Fire service calls                                      |    | 5,324           | 5,253           | 5,800           | 5,300             | 5,400           |
| Training Hours / Certifications to serve in higher rank |    | 14,690 / 20     | 13,556 / 23     | 14,400 / 24     | 8,000 / 20*       | 14,400 / 22     |
| Total Engine Company Inspections                        |  | 2,038           | 2,084           | 100%            | 0**               | 0**             |
| Total Plan Review / Inspections                         |  | 1,600 / 7,824   | 1,644 / 7,592   | 100%            | 1,608 / 2,000**   | 100%            |
| Public Education Events (attendees)                     |  | 3,181           | 2,385           | 4,200           | 500*              | 2,500           |
| Apparatus Response Summary (incidents)                  |  | 7,870           | 7,822           | 8,500           | 7,750             | 8,000           |

\*Number due to COVID-19 conditions/school closures

\*\*Due to COVID-19 Engine Company Inspections not conducted

# Budget Summary

| DOLLARS BY FUNCTION               | 2018-19<br>Actual   | 2019-20<br>Actual   | 2020-21<br>Adopted  | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| EMS Transport Services            | \$0                 | \$27,597            | \$68,627            | \$68,627            | \$0                  | 0.0%                |
| Fire Administration               | 1,043,334           | 2,135,682           | 2,063,653           | 1,972,718           | (90,935)             | (4.4)%              |
| Fire Prevention                   | 1,604,470           | 1,733,256           | 2,788,786           | 2,914,138           | 125,352              | 4.5%                |
| Fire Prevention Administration    | 1,273,746           | 1,386,571           | 1,443,754           | 744,956             | (698,798)            | (48.4)%             |
| Office of Emergency<br>Management | 253,543             | 259,221             | 246,886             | 244,243             | (2,643)              | (1.1)%              |
| Operations Division               | 19,462,115          | 20,873,268          | 21,684,586          | 20,664,289          | (1,020,297)          | (4.7)%              |
| <b>TOTAL</b>                      | <b>\$23,637,208</b> | <b>\$26,415,595</b> | <b>\$28,296,292</b> | <b>\$26,608,971</b> | <b>(\$1,687,321)</b> | <b>(6.0)%</b>       |

| DOLLARS BY CATEGORY                 | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|-------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>           |                   |                   |                    |                     |                      |                     |
| <b>4111</b> Permanent Salaries      | \$10,590,927      | \$11,922,767      | \$13,568,557       | \$12,712,106        | (\$856,451)          | (6.3)%              |
| <b>4112</b> Temporary Salaries      | 52,444            | 150,369           | 61,578             | 25,000              | (36,578)             | (59.4)%             |
| <b>4113</b> Overtime                | 1,644,495         | 1,744,426         | 1,615,257          | 1,615,257           | 0                    | 0.0%                |
| <b>4114</b> Reimbursable Overtime   | 553,411           | 104,903           | 0                  | 0                   | 0                    | 0.0%                |
| <b>4121</b> Allowances              | 65,170            | 71,136            | 80,328             | 73,512              | (6,816)              | (8.5)%              |
| <b>4124</b> Leave Cashout           | 559,404           | 725,429           | 0                  | 0                   | 0                    | 0.0%                |
| <b>4131</b> PERS                    | 4,883,424         | 5,959,271         | 6,600,509          | 6,515,130           | (85,379)             | (1.3)%              |
| <b>4132</b> Group Insurance         | 1,676,663         | 1,731,056         | 1,919,484          | 1,920,625           | 1,141                | 0.1%                |
| <b>4133</b> Medicare                | 192,165           | 206,218           | 198,802            | 186,285             | (12,517)             | (6.3)%              |
| <b>4135</b> Worker's Compensation   | 287,717           | 240,337           | 610,866            | 560,732             | (50,134)             | (8.2)%              |
| <b>4138</b> Deferred Comp-Employer  | 43,223            | 47,230            | 52,500             | 50,978              | (1,522)              | (2.9)%              |
| <b>4139</b> PARS                    | 285               | 0                 | 924                | 924                 | 0                    | 0.0%                |
| <b>4146</b> Short Term Disability   | 0                 | 0                 | 756                | 726                 | (30)                 | (4.0)%              |
| <b>4161</b> Retiree Medical Reserve | 472,971           | 568,505           | 750,211            | 135,052             | (615,159)            | (82.0)%             |
| <b>sub-total</b>                    | <b>21,022,299</b> | <b>23,471,647</b> | <b>25,459,772</b>  | <b>23,796,327</b>   | <b>(1,663,445)</b>   | <b>(6.5)%</b>       |

| DOLLARS BY CATEGORY                      |                                 | 2018-19<br>Actual   | 2019-20<br>Actual   | 2020-21<br>Adopted  | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|--|---------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b> |                                 |                     |                     |                     |                     |                      |                     |
| <b>4210</b>                              | Department Allocations          | 1,458,989           | 1,660,850           | 1,542,518           | 1,524,064           | (18,454)             | (1.2)%              |
| <b>4220</b>                              | Supplies                        | 674,141             | 643,959             | 619,100             | 599,100             | (20,000)             | (3.2)%              |
| <b>4230</b>                              | Services                        | 153,352             | 181,204             | 376,827             | 456,405             | 79,578               | 21.1%               |
| <b>4240</b>                              | Repair & Maintenance            | 8,411               | 31                  | 0                   | 0                   | 0                    | 0.0%                |
| <b>4500</b>                              | Training, Travel, & Memberships | 158,755             | 127,920             | 233,075             | 233,075             | 0                    | 0.0%                |
| <b>sub-total</b>                         |                                 | <b>2,453,648</b>    | <b>2,613,964</b>    | <b>2,771,520</b>    | <b>2,812,644</b>    | <b>41,124</b>        | <b>1.5%</b>         |
| <b>CAPITAL OUTLAY</b>                    |                                 |                     |                     |                     |                     |                      |                     |
| <b>4850</b>                              | Vehicles                        | 120,082             | 269,488             | 0                   | 0                   | 0                    | 0.0%                |
| <b>4870</b>                              | Machinery and Equipment         | 41,179              | 59,428              | 65,000              | 0                   | (65,000)             | (100.0)%            |
| <b>4920</b>                              | Machinery, Tools & Equipment    | 0                   | 1,068               | 0                   | 0                   | 0                    | 0.0%                |
| <b>sub-total</b>                         |                                 | <b>161,261</b>      | <b>329,984</b>      | <b>65,000</b>       | <b>0</b>            | <b>(65,000)</b>      | <b>(100.0)%</b>     |
| <b>TOTAL</b>                             |                                 | <b>\$23,637,208</b> | <b>\$26,415,595</b> | <b>\$28,296,292</b> | <b>\$26,608,971</b> | <b>(\$1,687,321)</b> | <b>(6.0)%</b>       |

## Staffing

| POSITIONS BY FUNCTION          | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Fire Administration            | 3.00               | 6.00               | 6.00               | 6.00               | 0.00              |
| Fire Prevention                | 6.00               | 9.00               | 9.00               | 7.00               | (2.00)            |
| Fire Prevention Administration | 4.00               | 4.00               | 4.00               | 4.00               | 0.00              |
| Office of Emergency Management | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Operations Division*           | 55.00              | 57.00              | 63.00              | 59.00              | (4.00)            |
| <b>TOTAL</b>                   | <b>69.00</b>       | <b>77.00</b>       | <b>83.00</b>       | <b>77.00</b>       | <b>(6.00)</b>     |

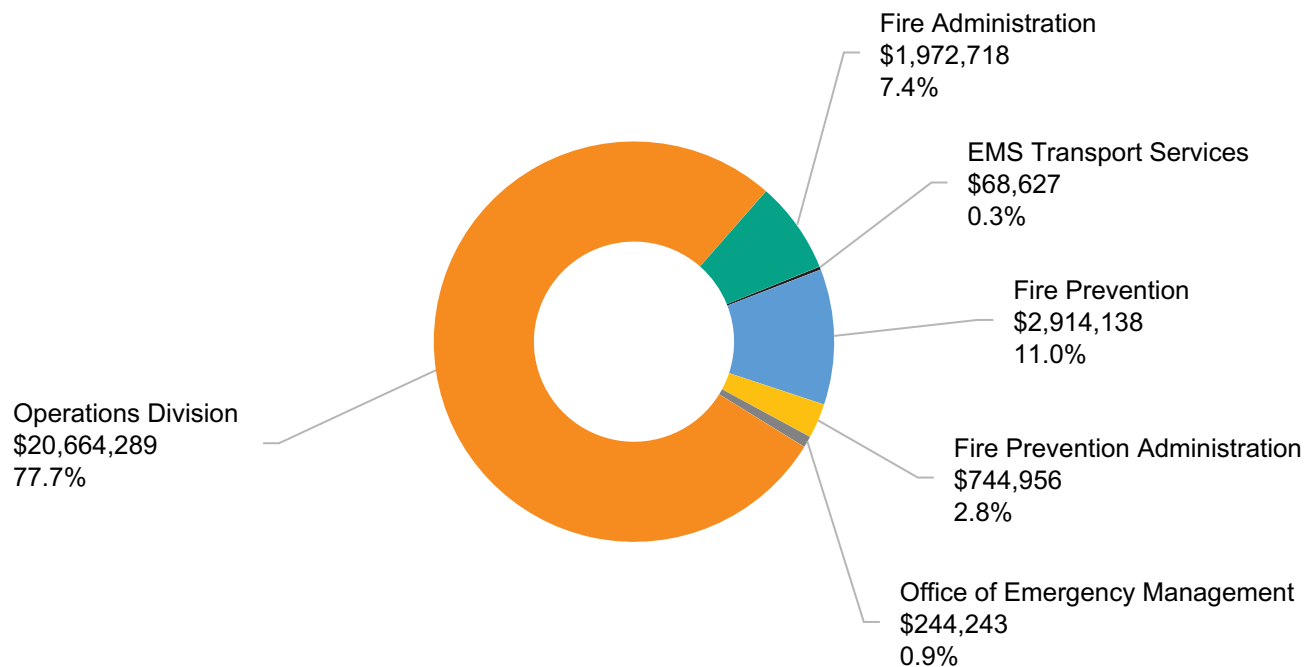
\*4.0 Firefighter/Firefighter Paramedics are defunded for one year. 1.0 Entry Level Fire Prevention Inspector defunded.

| POSITIONS                      | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Administrative Analyst II      | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Assistant Fire Marshal         | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Chief Fire Enforcement Officer | 1.00               | 1.00               | 1.00               | 0.00               | (1.00)            |
| Deputy Fire Chief              | 2.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Emergency Svcs Coordinator     | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Entry Level Fire Inspector     | 0.00               | 1.00               | 1.00               | 0.00               | (1.00)            |
| Executive Assistant            | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |

| POSITIONS                     | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Fire Battalion Chief          | 2.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Fire Battalion Chief-40 hr    | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Fire Captain                  | 15.00              | 15.00              | 15.00              | 15.00              | 0.00              |
| Fire Captain - 40             | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Fire Chief                    | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Fire Engineer                 | 4.00               | 6.00               | 6.00               | 6.00               | 0.00              |
| Fire Engineer-Paramedic       | 11.00              | 12.00              | 12.00              | 12.00              | 0.00              |
| Fire Prevention Inspector     | 3.00               | 4.00               | 4.00               | 4.00               | 0.00              |
| Fire Protection Engineer      | 1.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Firefighter                   | 14.00              | 14.00              | 15.00              | 15.00              | 0.00              |
| Firefighter/Paramedic *       | 7.00               | 7.00               | 12.00              | 8.00               | (4.00)            |
| Hazardous Materials Inspector | 2.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Office Specialist             | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| <b>Total Positions</b>        | <b>69.00</b>       | <b>77.00</b>       | <b>83.00</b>       | <b>77.00</b>       | <b>(6.00)</b>     |

\*4.0 Firefighter/Firefighter Paramedics are defunded for one year. 1.0 Entry Level Fire Prevention Inspector defunded.

## Expenditures by Function





## Budget Reconciliation







|  | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|--|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>   | <b>83.00</b>  | <b>\$28,280,292</b>       | <b>\$16,000</b>         | <b>\$28,296,292</b>   |
| <b>One-Time Prior Year Budget Adjustments</b>  |               |                           |                         |                       |
| Capital Outlay   |               | (38,000)                  | 0                       | (38,000)              |
| <b>One-Time Prior Year Budget Adjustments</b>  | <b>0.00</b>   | <b>(38,000)</b>           | <b>0</b>                | <b>(38,000)</b>       |
| <b>Adjustments to Costs of Ongoing Activities</b>  |               |                           |                         |                       |
| Salary and Benefits  |               | (132,534)                 | 0                       | (132,534)             |
| Motorola Contract Increase   |               | 16,000                    | 0                       | 16,000                |
| Equipment Replacement Amortization   |               | (18,455)                  | 0                       | (18,455)              |
| Fire Prevention Staff Reduction (1.0, Entry Level Fire Prevention Inspector, Council Approval 2/16/2021) | (1.00)        | (186,120)                 | 0                       | (186,120)             |
| Reduction of Self Contained Breathing Apparatus supplies   |               | (20,000)                  |                         | (20,000)              |
| <b>Adjustments to Costs of Ongoing Activities</b>  | <b>(1.00)</b> | <b>(341,109)</b>          | <b>0</b>                | <b>(341,109)</b>      |
| <b>Total FY2021-22 Base Budget</b>   | <b>82.00</b>  | <b>27,901,183</b>         | <b>16,000</b>           | <b>27,917,183</b>     |
| <b>Service Level Changes</b>   |               |                           |                         |                       |
| Fire Code Compliance Reorganization  | (1.00)        | (348,212)                 |                         | (348,212)             |
| Ambulance Deployment Deferral (4.0, Firefighter and Firefighter/Paramedics)                              | (4.00)        | (960,000)                 |                         | (960,000)             |
| <b>Total Service Level Changes</b>   | <b>(5.00)</b> | <b>(1,308,212)</b>        | <b>0</b>                | <b>(1,308,212)</b>    |
| <b>Total FY 2021-22 Budget</b>   | <b>77.00</b>  | <b>\$26,592,971</b>       | <b>\$16,000</b>         | <b>\$26,608,971</b>   |

\*4.0 Firefighter/Firefighter Paramedics are defunded for one year. 1.0 Entry Level Fire Prevention Inspector defunded.



## Service Level Changes

|   |  | Positions   | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|--|---|---------------------------|-------------------------|-----------------------|
| 1.  | <b>Ambulance Deployment Deferral</b>   | (4.00)  | (\$960,000)               | \$0                     | (\$960,000)           |
|  | <p>This action delays the deployment of the ambulance to Fiscal Year 2022-23 by defunding 4.0 vacant Firefighter/Medic positions. In Fiscal Year 2016/17, the City Council approved an agreement with the County of Santa Clara authorizing the City to transport patients with an ambulance under certain conditions, which set off the implementation of the City's ambulance program for patient transport and to augment existing emergency response resources. On 10/01/2019 Council authorized 6.0 positions to staff the ambulance 24/7 (2 FTEs per shift). When the Covid-19 Pandemic hit in March 2020 the ambulance was utilized as the Covid Testing Unit from May 2020 to February 2021.</p> |   |                           |                         |                       |
| <b>Performance Impact</b>   |  |  |                           |                         |                       |
|   |  | Since the ambulance was never deployed, there's no service level impact.            |                           |                         |                       |
| <b>Mitigation</b>   |  |   |                           |                         |                       |
|   |  | No mitigation measures identified because service level is not reduced.             |                           |                         |                       |

|   |  |   |               |     |               |
|---|--|---|---------------|-----|---------------|
| 2.  | Fire Code Compliance Reorganization  | (1.00)  | (\$348,212)   | \$0 | (\$348,212)   |
|    | This action eliminates 1.0 Chief Fire Enforcement Officer position. The position, which is unique for comparable Fire Prevention functions in other agencies as it requires a peace officer certification, is responsible for fire cause/determination, arson, environmental, and hazmat investigations (average of 35 cases for the last two calendar years); fire code/statutory compliance, enforcement and fire-life safety/technical inspections, and the enforcement of COVID-19 Santa Clara County Public Health Order (SCCPHO) throughout Milpitas city limits, including the issuance of the County Notice of Violation / Administrative Citations as authorized by the County Public Health Officer. During the Pandemic the focus for the position shifted from Fire Code inspections and compliance activity (392 cases) to enforcement of the SCCPHO combined with Fire Code inspections and compliance activity (210 cases). Further, due to the Pandemic fewer businesses were open requiring inspections. During the same period, Fire Prevention staff completed over 3,000 Life Safety & Hazmat Construction, State mandated annual inspections, and COVID related inspections. The Chief Fire Enforcement Officer position and 1.0 Fire Prevention Inspector position are currently certified to conduct fire-related investigations. |   |               |     |               |
|   | Performance Results:   |      |               |     |               |
|   | Currently, the Fire Department has 1.0 vacant Fire Prevention Inspector position. With this action, the vacant position will be filled to free up staff capacity from the certified Fire Prevention Inspector position to absorb the duties of the Chief Fire Enforcement Officer position. For some investigations and non-compliant inspections, the presence of a certified peace officer may be necessary, which will require close coordination with the Police Department including the initial review of policy and operational guidelines. During the transitional period of this reorganization, some delays in construction and annual state mandated inspections may occur. With widespread vaccination, the number of enforcement cases of SCCPHO orders is expected to reduce significantly and the City will inform the County of Santa Clara that it will discontinue enforcement of SCCPHO orders. This action will also improve cost recovery, which is currently well below target, for this fee supported program.  |   |               |     |               |
|   | Impact if funding is not approved  |   |               |     |               |
| To ensure coverage during vacation of the certified Fire Prevention Inspector position, the Department will offer the opportunity and/or assign existing staff to obtain the required investigation certifications. During the transition period, overtime may be incurred. |  |   |               |     |               |
| Total Service Level Changes   |  | (5.00)  | (\$1,308,212) | \$0 | (\$1,308,212) |



# Human Resources

**HR Director:** Jeannine Seher

## Mission Statement

Through strategic partnerships and collaboration, the Human Resources Department recruits, develops, and retains a high performing, innovative and diverse workforce and fosters a healthy, safe and productive work environment in order to support individual potential and organizational objectives.

## Description

The Human Resources (HR) Department is a centralized full-service department that provides citywide services related to: recruitment, benefits administration, safety (including a self-funded workers' compensation program and DOT Drug and Alcohol Testing), employee relations including compliance with State and Federal employment laws, performance management, training, and maintenance of personnel systems and files, and labor relations, including negotiations and administration of labor agreements with the various employee groups.

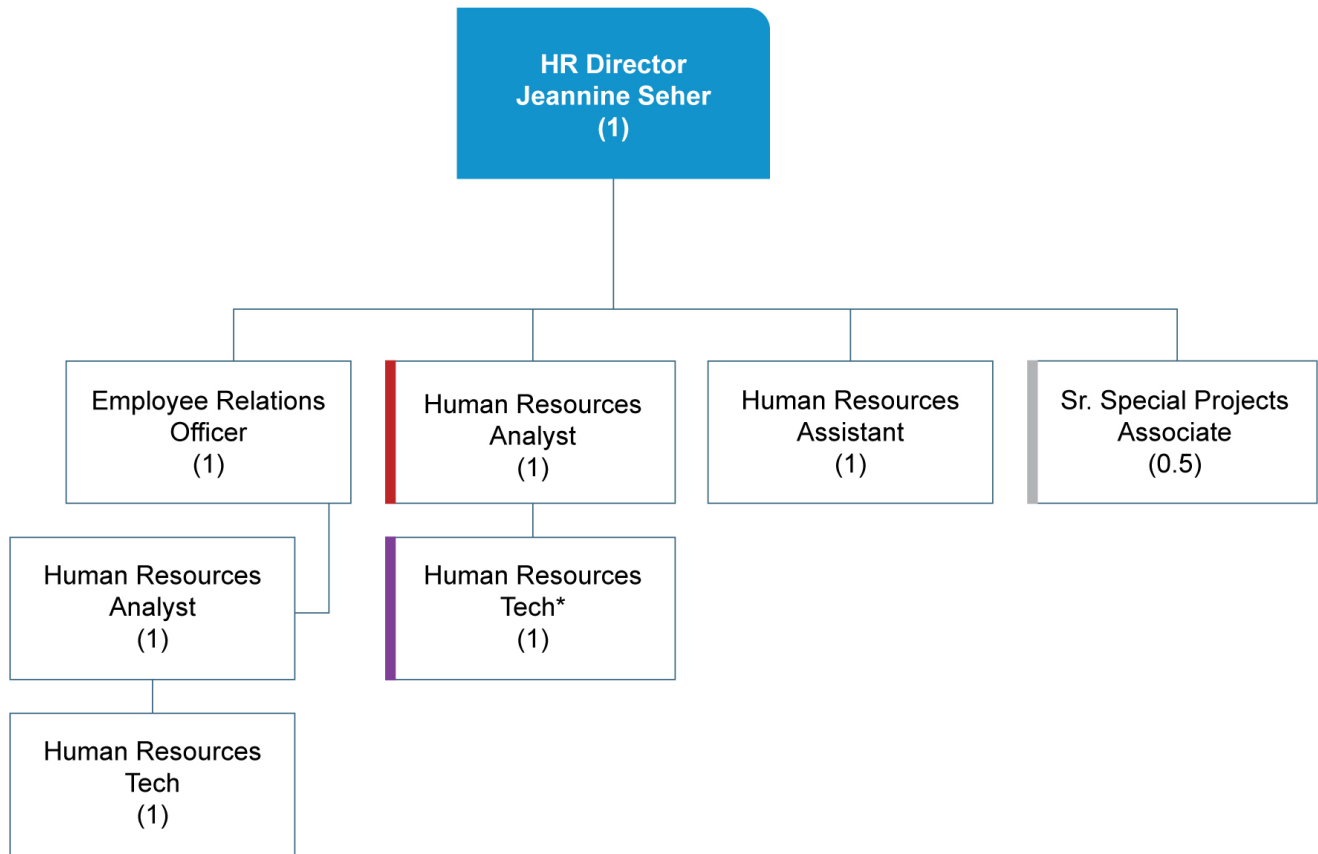


### Services

- **Recruitment** - The HR Department is committed to finding high quality candidates in a timely manner. The HR department takes an aggressive approach in identifying and recruiting the most qualified candidates for City positions.
- **Benefits Administration** - The HR Department provides benefits administration to approximately 437.25 positions with an excellent benefit package that includes medical coverage through CalPERS Health. Additional benefits include Dental, Vision, Life Insurance, Long Term Disability, Short Term Disability, Deferred Compensation (457 Plan), and the Employee Assistance Program (EAP).
- **Workers' Compensation** - The City is self-insured for workers' compensation contracted through a Third Party Administrator (TPA). Staff works closely with our TPA to ensure that all injured employees receive proper care for their work-related injuries and/or illnesses.
- **Labor Relations** - The HR Department negotiates on behalf of the City and oversees the administration of five Memoranda of Understanding, including implementing and interpreting their provisions, negotiating side letters of agreement, and meeting and conferring over policy changes, as well as reviewing, analyzing, and replying to grievances to resolve disputes.
- **Employee Relations and Customer Service** - The HR Department treats all applicants, employees, retirees, and residents with dignity and respect. We strive to ensure equal employment opportunities and a workplace free of discrimination and harassment. We assist managers and supervisors with performance management matters. We encourage positive employer- employee relations and maintain a high level of service to those we serve.
- **Training** - The HR Department manages and maintains compliance related training, such as Harassment Prevention Training, as well as coordinating professional development training opportunities for employees.



# Human Resources Department

















|                                      |
|--------------------------------------|
| <b>Permanent FTE</b><br><b>(6)</b>   |
| <b>Temporary FTE</b><br><b>(0.5)</b> |

|  |                     |
|--|---------------------|
|  | <b>New FY 21-22</b> |
|  | <b>Move</b>         |
|  | <b>Reclass</b>      |
|  | <b>Temp</b>         |
|  | <b>Defunded</b>     |

\*This position is defunded until January 1, 2022






|    |  | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|----|--|---|---|--|---|---|---|---|
|    | Accomplishments  |  |  |  |  |  |  |  |
| 1. | Maintained 90% compliance with mandated sexual harassment prevention training program  |   |   |  | ✓   |   |   |   |
| 2. | Implemented Wellness Initiative; including Coast to Coast challenge, Health Check App to comply with COVID regulations; held first online health and benefit enrollment fair; Offered CalPERS retirement sessions, offered Employee Assistance Program sessions; and information in monthly newsletter |   |   |  | ✓   |   |   |   |
| 3. | Negotiated successor agreement with MEA; as well as MOU modifications to 3 bargaining groups to address budget shortfall   |   |   |  | ✓   |   |   |   |
| 4. | Initiated Monthly Joint Labor Management Team meetings   |   |   |  | ✓   |   |   |   |
| 5. | As of March 1st, updated and/or completed meet and confer process on 8 policy revisions  |   |   |  | ✓   |   |   |   |
| 6. | Provided 11 professional development training sessions   |   |   |  | ✓   |   |   |   |
| 7. | Conducted 74 new hire orientations, 131 benefit changes and 2,694 personnel transactions   |   |   |  | ✓   |   |   |   |






|    |   |  |  |  |  |  |  |  |
|----|---|---|---|--|---|---|---|---|
|    | Initiatives   |   |   |  |   |   |   |   |
| 1. | Continued implementation of NEOGOV Performance Management Software  |   |   |  | ✓   |   |   |   |
| 2. | Continue to maintain compliance with Sexual Harassment Prevention Training  |   |   |  | ✓   |   |   |   |
| 3. | Review and Revise Personnel Rules and City Policies   |   |   |  | ✓   |   |   |   |
| 4. | Implement Implicit Bias Training  |   |   |  | ✓   |   |   |   |
| 5. | Assess advantages and identify challenges to moving to a paperless personnel file system and recommend implementation plan, if feasible |   |   |  | ✓   |   |   |   |



## Performance and Workload Measures

| PERFORMANCE MEASURES  | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Average time to fill a vacancy (in days)                            |  | 106             | 70              | 90              | 95                | 90              |
| Percentage of recruitments completed within established timelines * |  | 52%             | 40%             | 60%             | 70%               | 75%             |
| Percentage of employees attended Harassment Prevention Training*    |  | N/A             | N/A             | N/A             | 90%               | 100%            |

\* Percentage of recruitments completed within established timelines was affected due to the difficulty recruiting during the COVID-19 Shelter in Place.

| ACTIVITY AND WORKLOAD DATA                                      | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Number of positions filled                                      |    | 84              | 70              | 95              | 67                | 65              |
| Number of employees attended Harassment Prevention Training *** |   | 325             | 325             | 150             | 400               | 150             |
| Number of workers compensation claims processed                 |  | 40              | 55              | 50              | 58                | 58              |
| Number of transactions processed                                |  | 3,532           | 3,820           | 3,000           | 3,000             | 3,500           |
| Number of new hire orientations conducted                       |  | 193             | 144             | N/A             | 100               | 75              |

\*\*\* Full Time Employees are all current on Harassment Prevention Training. The law changed to have Temporary Seasonal employees trained from January 2020 to January 2021.

## Budget Summary

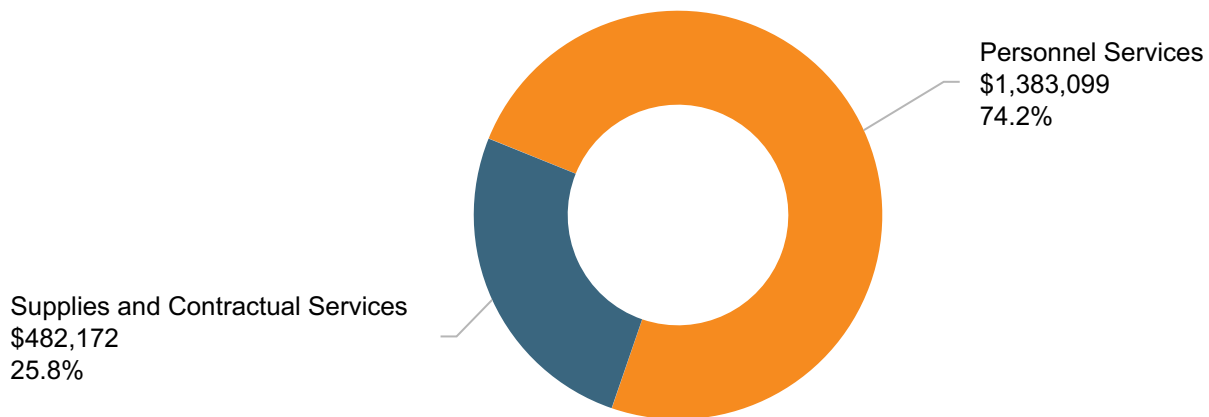
| DOLLARS BY CATEGORY                      |                                     | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|--|-------------------------------------|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>                |                                     |                    |                    |                    |                     |                      |                     |
| 4111                                     | Permanent Salaries                  | \$460,608          | \$737,627          | \$867,861          | \$842,070           | (\$25,791)           | (3.0)%              |
| 4112                                     | Temporary Salaries                  | 126,165            | 61,100             | 63,526             | 59,000              | (4,526)              | (7.1)%              |
| 4113                                     | Overtime                            | 1,643              | 41                 | 1,000              | 1,000               | 0                    | 0.0%                |
| 4121                                     | Allowances                          | 0                  | 6,600              | 6,600              | 6,354               | (246)                | (3.7)%              |
| 4124                                     | Leave Cashout                       | 7,607              | 13,755             | 0                  | 0                   | 0                    | 0.0%                |
| 4131                                     | PERS                                | 173,067            | 292,112            | 276,972            | 302,195             | 25,223               | 9.1%                |
| 4132                                     | Group Insurance                     | 39,268             | 84,677             | 131,448            | 142,672             | 11,224               | 8.5%                |
| 4133                                     | Medicare                            | 8,619              | 11,915             | 13,829             | 13,152              | (677)                | (4.9)%              |
| 4135                                     | Worker's Compensation               | 1,750              | 522                | 4,775              | 4,498               | (277)                | (5.8)%              |
| 4138                                     | Deferred Comp-Employer              | 2,959              | 6,146              | 6,300              | 6,006               | (294)                | (4.7)%              |
| 4139                                     | PARS                                | 238                | 54                 | 193                | 60                  | (133)                | (68.9)%             |
| 4146                                     | Short Term Disability               | 0                  | 0                  | 588                | 557                 | (31)                 | (5.3)%              |
| 4161                                     | Retiree Medical Reserve             | 27,144             | 38,920             | 34,714             | 5,535               | (29,179)             | (84.1)%             |
| <b>sub-total</b>                         |                                     | <b>849,068</b>     | <b>1,253,469</b>   | <b>1,407,806</b>   | <b>1,383,099</b>    | <b>(24,707)</b>      | <b>(1.8)%</b>       |
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b> |                                     |                    |                    |                    |                     |                      |                     |
| 4200                                     | Community Promotion, Grant/<br>Loan | 2,193              | 208                | 8,500              | 8,500               | 0                    | 0.0%                |
| 4220                                     | Supplies                            | 7,387              | 4,725              | 7,000              | 7,000               | 0                    | 0.0%                |
| 4230                                     | Services                            | 517,066            | 527,323            | 599,164            | 395,608             | (203,556)            | (34.0)%             |
| 4500                                     | Training, Travel, &<br>Memberships  | 24,344             | 37,599             | 79,187             | 71,064              | (8,123)              | (10.3)%             |
| <b>sub-total</b>                         |                                     | <b>550,990</b>     | <b>569,855</b>     | <b>693,851</b>     | <b>482,172</b>      | <b>(211,679)</b>     | <b>(30.5)%</b>      |
| <b>TOTAL</b>                             |                                     | <b>\$1,400,058</b> | <b>\$1,823,324</b> | <b>\$2,101,657</b> | <b>\$1,865,271</b>  | <b>(\$236,386)</b>   | <b>(11.2)%</b>      |

## Staffing

| POSITIONS                  | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|----------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Employee Relations Officer | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Human Resource Analyst II  | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Human Resources Analyst I  | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Human Resources Assistant  | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Human Resources Director   | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Human Resources Technician | 1.00               | 2.00               | 2.00               | 1.00               | (1.00)            |
| <b>Total Positions</b>     | <b>5.00</b>        | <b>7.00</b>        | <b>7.00</b>        | <b>6.00</b>        | <b>(1.00)</b>     |

\*1.0 Human Resources Technician has been defunded until January 1, 2022

## Expenditures by Category



## Budget Reconciliation

|  | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|--|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>   | <b>7.00</b>   | <b>\$2,101,657</b>        | <b>\$0</b>              | <b>\$2,101,657</b>    |
| <b>Adjustments to Costs of Ongoing Activities</b>  |               |                           |                         |                       |
| Salary and Benefits  |               | 44,411                    | 0                       | 44,411                |
| Workers' Compensation Excess Insurance Coverage Reallocation to the Non-Departmental Budget                              |               | (198,000)                 |                         | (198,000)             |
| Non-Personnel Expenditure Alignment to Historical Trend  |               | (13,679)                  | 0                       | (13,679)              |
| Human Resources Staff Reduction (1.0 Human Resources Technician; Council Approval 02/16/2021; defunded until 01/01/2022) | (1.00)        | (69,118)                  |                         | (69,118)              |
| <b>Adjustments to Costs of Ongoing Activities</b>  | <b>(1.00)</b> | <b>(236,386)</b>          | <b>0</b>                | <b>(236,386)</b>      |
| <b>Total FY 2021-22 Budget</b>   | <b>6.00</b>   | <b>\$1,865,271</b>        | <b>\$0</b>              | <b>\$1,865,271</b>    |

\*1.0 Human Resources Technician has been defunded until January 1, 2022

# Information Technology

**IT Director:** Mike Luu

## Mission Statement

The Information Technology Department supports the operations of the City by providing high quality, reliable and cost-effective services in the areas of telecommunications, data processing, desktops support, Geographic Information System (GIS) and technology projects management.

## Description

This department provides automation planning, coordination of system procurement and implementation, management of technology projects to fulfill customer-defined functional requirements, development and maintenance of the City's technical architecture and infrastructure, partnering with key product and service providers, ensuring customer satisfaction, providing automation support and training development, support of the City's web site, Cable TV channel, public-access TV studio, implementation and support of security access systems and all automated data systems. Additionally, Information Services is responsible for the City's public information function.

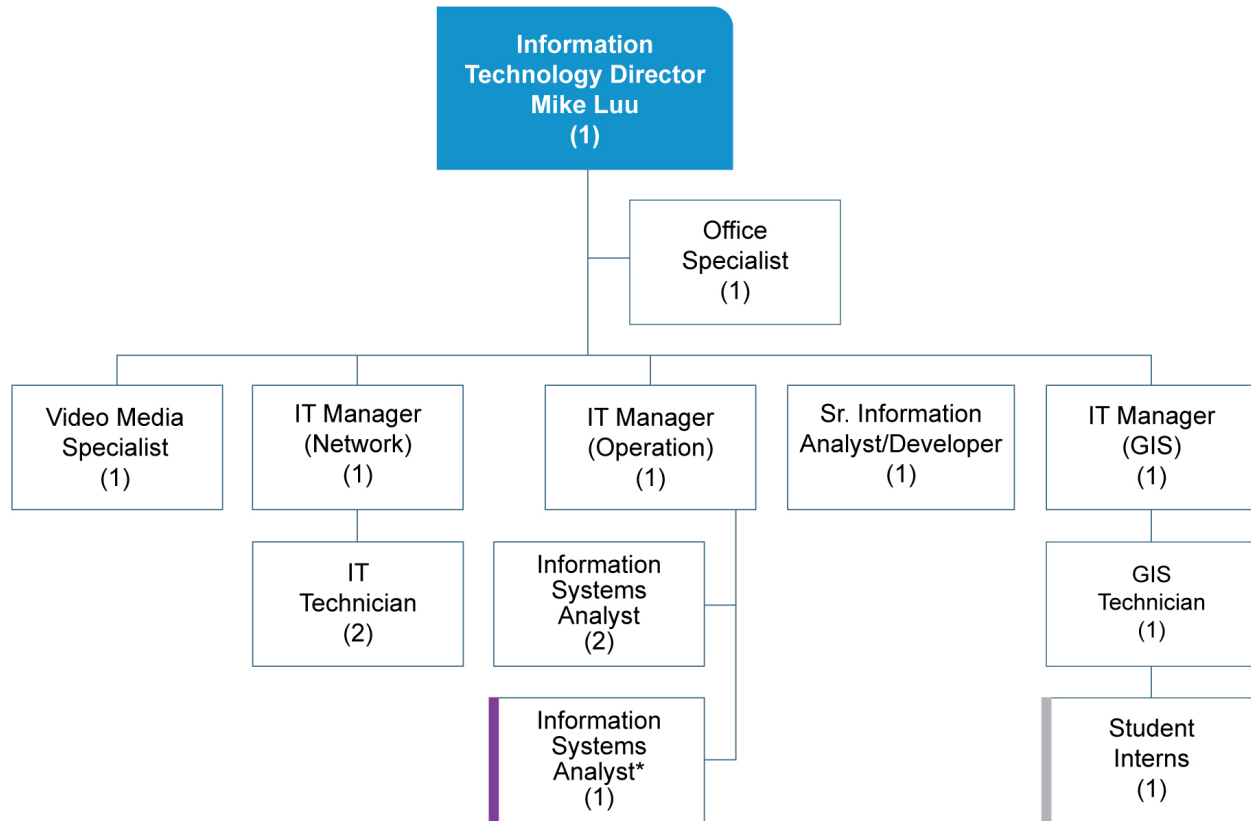


### Services

- Strategic Planning – This service includes maintaining and updating the City's Telecommunications Master Plan in addition to providing the technology planning and support for each department to achieve their annual goals and objectives.
- Project Management – One of the key services provided by the Information Services Department includes project management for both large and small technology projects. These services range from small projects to large multi-year efforts.
- Development and support of the technical architecture and infrastructure. This service includes the maintenance and support of the City's telephone systems, mobile phone and data services, metropolitan-area fiber optic network, paging, radio, video, remote communications and the wired and wireless computer networks.
- Development and support of the City's website, cable TV channel. This service serves City staff, City residents and visitors, both locally and foreign. One of the fastest and easiest ways to evaluate a city as a potential site for starting a business is by visiting that City's website. Since first impressions are lasting impressions, this service provides an invaluable opportunity to advertise the benefits of doing business within the community.
- Implementation and operation of the City's security access and control systems. It is essential to protect City assets; especially given the times we operate and live in. This service is used to enhance the safety of not only City staff and residents but also the City's public buildings.
- Management and support of the complex information systems. The City supports a data network of more than 100 servers, 500 computers, 120 laptops and 80 printers. It is critical to continuously maintain and upgrade these systems to ensure highest possible availability for all business users.
- Development and support of the City's Geographic Information System. The GIS system supports the work of virtually all departments within the City. From the 911 emergency computer-aided dispatch system to the notification of residents regarding pending zoning actions, the GIS system is used widely to support all of the City's business functions.
- Support of the Public Information function. This service includes acting as the City's liaison for information dissemination through the City's website, cable TV channel. It also includes the duties and responsibilities associated with performing the role of Public Information Officer during times of emergencies.



# Information Technology Department

















|                              |
|------------------------------|
| <b>Permanent FTE</b><br>(12) |
| <b>Temporary FTE</b><br>(1)  |

|  |
|--|
| <span style="background-color: #666666; color: white;">New FY 21-22</span> |
| <span style="background-color: #CC0000; color: white;">Move</span>         |
| <span style="background-color: #FF9900; color: white;">Reclass</span>      |
| <span style="background-color: #999999; color: white;">Temp</span>         |
| <span style="background-color: #990099; color: white;">Defunded</span>     |






\*This position is defunded until June 30, 2022








| Accomplishments |   | Community Wellness and Open Space   | Economic Development and Job Growth   | Environment  | Governance & Administration   | Neighborhoods and Housing   | Public Safety   | Transportation and Transit  |
|-----------------|---|---|---|--|---|---|---|---|
|                 |   |  |  |  |  |  |  |  |
| 1.              | Upgraded TRAKiT.net to CentralSquare's Community Development Software | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 2.              | Implemented IT Governance Process                                     |   | ✓   |  | ✓   |   |   |   |
| 3.              | Completed Computer Aided Dispatch (CAD) Upgrade                       |   |   |  | ✓   |   | ✓   |   |
| 4.              | Completed IT Strategic Plan   |   |   | ✓  | ✓   |   | ✓   |   |
| 5.              | Developed new IT Disaster Recovery and Business Continuity Plan       | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |

| Initiatives |                                  |  |  |  |  |  |  |  |
|-------------|----------------------------------|---|---|--|---|---|---|---|
| 1.          | Police Records Management System | ✓   | ✓   |  | ✓   | ✓   |   |   |
| 2.          | ECMS Strategy                    | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 3.          | ProjectDox ePlan Upgrade         |   |   |  |   |   | ✓   |   |
| 4.          | City Website Redesign            | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 5.          | E-Forms Software                 | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |

## Performance and Workload Measures

| PERFORMANCE MEASURES   | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|--|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| City Council meetings supported                                  |  | 100%            | 100%            | N/A             | 100%              | 100%            |
| Network Availability *   |  | 99.99%          | 99.99%          | 99.99%          | 100%              | 99.99%          |
| Critical Server Availability *                                   |  | 99.98%          | 99.99%          | 99.99%          | 99.99%            | 99.99%          |
| Website Availability *   |  | 99.97%          | 99.99%          | 99.99%          | 98%               | 99.99%          |
| Customer surveys received with a score of 4 or better (out of 5) |  | 94%             | 96%             | 96%             | 96%               | 97%             |

| ACTIVITY AND WORKLOAD DATA                                       | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|--|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Help Desk tickets closed   |   | 2,842           | 3,330           | 3,000           | 3,900             | 4,000           |
| Website visitors   |  | 1,794,775       | 1,900,000       | 2,000,000       | 216000**          | 222,000         |
| GIS Asset updates  |  | 47,842          | 44,097          | 30,000          | 32,000            | 32,000          |
| Number of City Council and Planning Committee meetings supported |  | 52              |                 | 50              |                   |                 |
| Physical servers converted to virtual servers                    |  | 65%             | 90%             | 96%             | 95%               | 98%             |

\* - Scheduled down time for maintenance is excluded

\*\* - Previously included bots and other countries. FY21 and forward counts actual visitors.

## Budget Summary

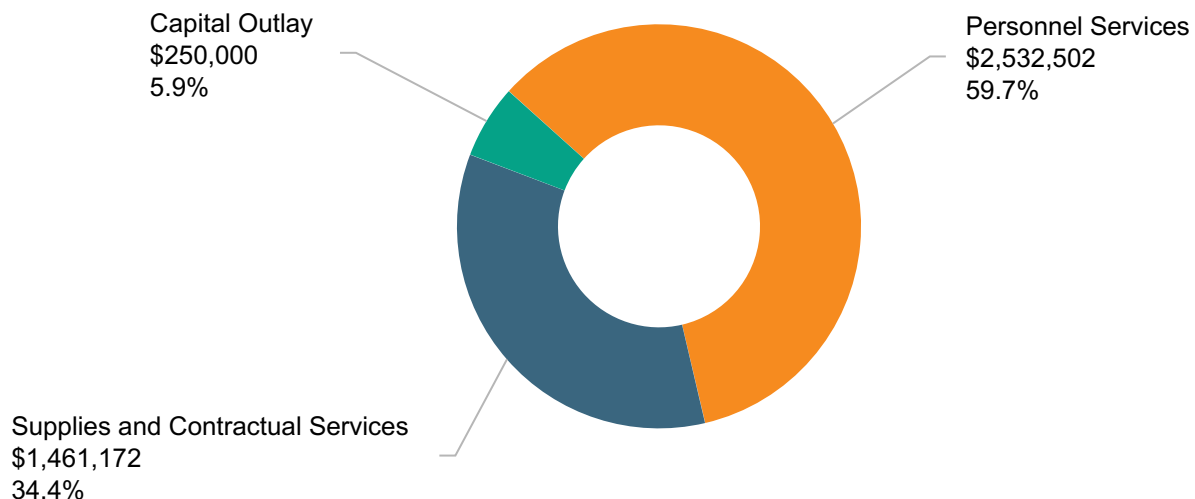
| DOLLARS BY CATEGORY                      |                                 | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|--|---------------------------------|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>                |                                 |                    |                    |                    |                     |                      |                     |
| 4111                                     | Permanent Salaries              | \$1,231,001        | \$1,179,148        | \$1,734,968        | \$1,637,205         | (\$97,763)           | (5.6)%              |
| 4112                                     | Temporary Salaries              | 0                  | 8,980              | 35,000             | 35,000              | 0                    | 0.0%                |
| 4113                                     | Overtime                        | 755                | 1,720              | 0                  | 0                   | 0                    | 0.0%                |
| 4121                                     | Allowances                      | 1,501              | 6,725              | 6,600              | 5,899               | (701)                | (10.6)%             |
| 4124                                     | Leave Cashout                   | 86,095             | 63,169             | 0                  | 0                   | 0                    | 0.0%                |
| 4131                                     | PERS                            | 464,679            | 464,597            | 553,680            | 551,232             | (2,448)              | (0.4)%              |
| 4132                                     | Group Insurance                 | 170,152            | 154,719            | 265,260            | 246,565             | (18,695)             | (7.0)%              |
| 4133                                     | Medicare                        | 19,198             | 18,207             | 25,761             | 24,333              | (1,428)              | (5.5)%              |
| 4135                                     | Worker's Compensation           | 4,359              | 951                | 8,851              | 8,185               | (666)                | (7.5)%              |
| 4138                                     | Deferred Comp-Employer          | 8,953              | 7,649              | 11,700             | 10,861              | (839)                | (7.2)%              |
| 4139                                     | PARS                            | 0                  | 145                | 526                | 526                 | 0                    | 0.0%                |
| 4146                                     | Short Term Disability           | 0                  | 0                  | 1,092              | 1,003               | (89)                 | (8.2)%              |
| 4161                                     | Retiree Medical Reserve         | 67,224             | 74,129             | 73,061             | 11,693              | (61,368)             | (84.0)%             |
| <b>sub-total</b>                         |                                 | <b>2,053,917</b>   | <b>1,984,857</b>   | <b>2,716,499</b>   | <b>2,532,502</b>    | <b>(183,997)</b>     | <b>(6.8)%</b>       |
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b> |                                 |                    |                    |                    |                     |                      |                     |
| 4210                                     | Department Allocations          | 6,917              | 6,841              | 1,966              | 1,782               | (184)                | (9.4)%              |
| 4220                                     | Supplies                        | 30,694             | 34,863             | 20,000             | 10,000              | (10,000)             | (50.0)%             |
| 4230                                     | Services                        | 33,294             | 233,285            | 8,000              | 15,000              | 7,000                | 87.5%               |
| 4240                                     | Repair & Maintenance            | 565,178            | 846,229            | 1,177,605          | 1,107,890           | (69,715)             | (5.9)%              |
| 4410                                     | Communications                  | 233,853            | 262,104            | 228,171            | 265,000             | 36,829               | 16.1%               |
| 4500                                     | Training, Travel, & Memberships | 6,088              | 19,341             | 61,800             | 61,500              | (300)                | (0.5)%              |
| <b>sub-total</b>                         |                                 | <b>876,024</b>     | <b>1,402,663</b>   | <b>1,497,542</b>   | <b>1,461,172</b>    | <b>(36,370)</b>      | <b>(2.4)%</b>       |
| <b>CAPITAL OUTLAY</b>                    |                                 |                    |                    |                    |                     |                      |                     |
| 4870                                     | Machinery and Equipment         | 51,107             | 0                  | 0                  | 0                   | 0                    | 0.0%                |
| 4920                                     | Machinery, Tools & Equipment    | 153,080            | 226,669            | 300,000            | 250,000             | (50,000)             | (16.7)%             |
| <b>sub-total</b>                         |                                 | <b>204,187</b>     | <b>226,669</b>     | <b>300,000</b>     | <b>250,000</b>      | <b>(50,000)</b>      | <b>(16.7)%</b>      |
| <b>TOTAL</b>                             |                                 | <b>\$3,134,128</b> | <b>\$3,600,170</b> | <b>\$4,514,041</b> | <b>\$4,243,675</b>  | <b>(\$270,366)</b>   | <b>(6.0)%</b>       |

## Staffing

| POSITIONS                            | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Desktop Technician                   | 2.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| G I S Manager                        | 1.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| GIS Technician                       | 0.00               | 0.00               | 1.00               | 1.00               | 0.00              |
| Information System Analyst*          | 0.00               | 3.00               | 3.00               | 2.00               | (1.00)            |
| Information Technology<br>Director   | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Information Technology<br>Manager    | 0.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Information Technology<br>Technician | 0.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Office Specialist                    | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Operations Manager                   | 1.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Sr. Information Analyst/Dev          | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Systems Administrator                | 2.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Telecommunications Manager           | 1.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Video Media Specialist               | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| <b>Total Positions</b>               | <b>11.00</b>       | <b>12.00</b>       | <b>13.00</b>       | <b>12.00</b>       | <b>(1.00)</b>     |

\*1.0 Information Analyst is defunded for one year.

## Expenditures by Category



## Budget Reconciliation

|   | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>  | <b>13.00</b>  | <b>\$3,721,547</b>        | <b>\$792,494</b>        | <b>\$4,514,041</b>    |
| <b>Adjustments to Costs of Ongoing Activities</b>   |               |                           |                         |                       |
| Salary and Benefits   |               | 161,811                   | (148,719)               | 13,092                |
| Desktop Computer and Server   |               |                           | (50,000)                | (50,000)              |
| Software Maintenance and Software as a Service (Oracle Server [-\$12,500], Computer Aided Dispatch System [-\$43,965], Budget Book Publication [\$2,900]) |               | (67,170)                  |                         | (67,170)              |
| Software Maintenance and Software as a Service Expenditure Alignment to Historical Trend  |               |                           | (9,200)                 | (9,200)               |
| Redundant Internet Datalink (\$40,000)  |               | 40,000                    |                         | 40,000                |
| Information Technology Staff Reduction (1.0 Information System Analyst; Council Approval 2/16/2021; defunded until 06/30/2022)                            | (1.00)        | (197,089)                 |                         | (197,089)             |
| <b>Adjustments to Costs of Ongoing Activities</b>   | <b>(1.00)</b> | <b>(62,448)</b>           | <b>(207,919)</b>        | <b>(270,367)</b>      |
| <b>Total FY 2021-22 Budget</b>  | <b>12.00</b>  | <b>\$3,659,099</b>        | <b>\$584,576</b>        | <b>\$4,243,675</b>    |

\*1.0 Information Analyst is defunded for one year.

# Planning

**Planning Director:** Ned Thomas, AICP

## Mission Statement

The Planning Department develops and implements policies to guide the physical and economic development of the City and promotes the City's vitality and quality of life through enforcement of land use, architectural design, and environmental regulations. We also strive to provide excellent customer service in support of an efficient development review process and active community engagement.

## Description

The Planning Department prepares, maintains, and implements the City's General Plan, associated Specific Plans, and other planning and policy documents that guide the physical development of the community. Department staff assist residents, businesses, designers, developers, and architects to understand and follow the City's policies and regulations for development, including the General Plan, the Midtown Specific Plan, the Transit Area Specific Plan, and the Zoning Ordinance. The Department collaborates with other City departments to administer other development policies and regulations, including the California Environmental Quality Act (CEQA). The Department promotes informed decision-making by facilitating community and neighborhood meetings, as needed, and providing administrative support to the Planning Commission.





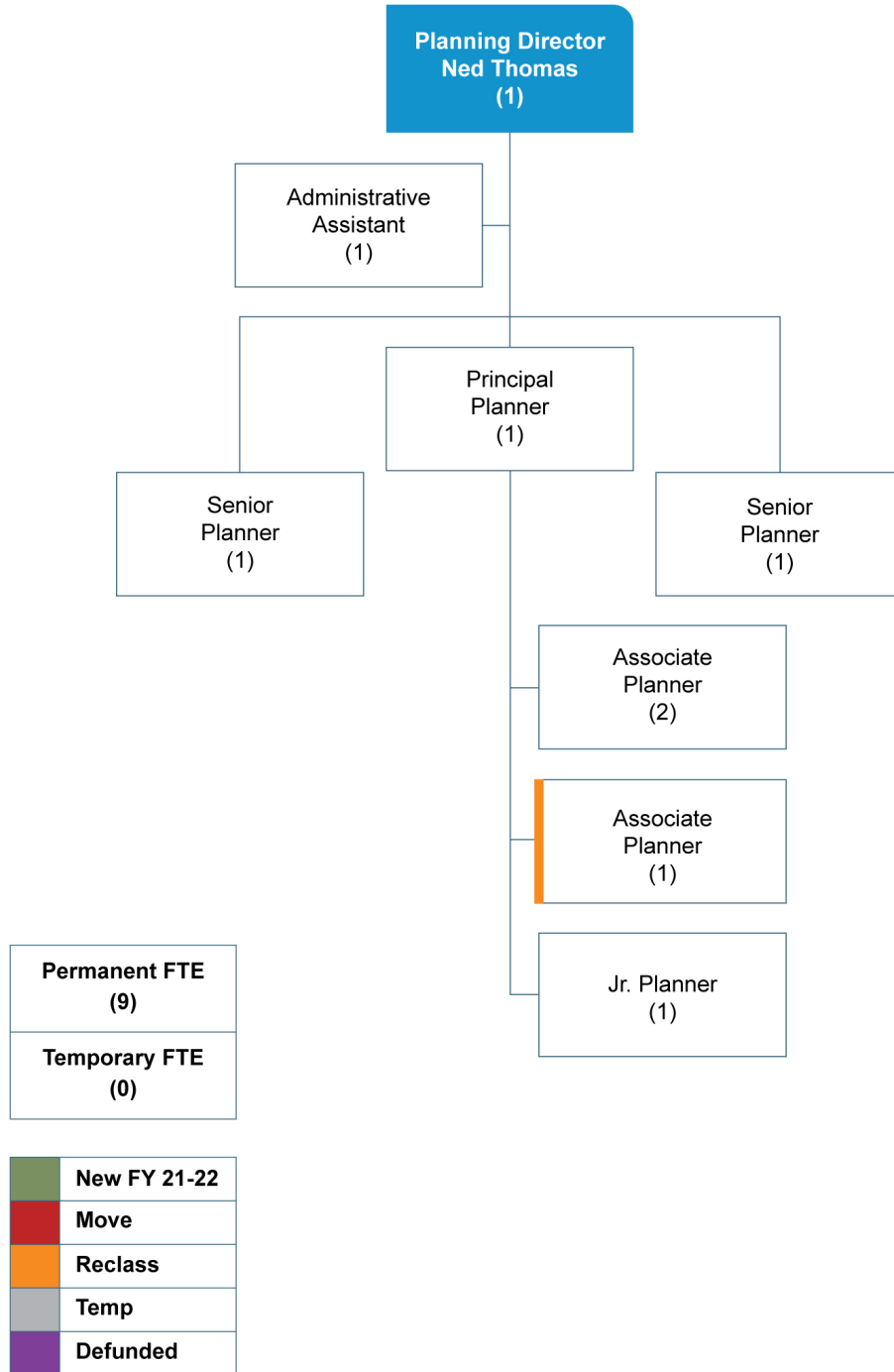
### Services

- Prepares, maintains, and implements the City's General Plan and associated Specific Plans.
- Conducts research, prepares long-range planning documents, and assists other departments in preparing special-purpose long-range plans.
- Administers the City's Zoning Ordinance and collaborates with other departments to administer other development policies and regulations, including the California Environmental Quality Act (CEQA).
- Performs and coordinates review of land development applications and provides information to the public regarding land development regulations and processes.
- Assists developers in obtaining planning entitlements and coordinates the development review process from conceptual design and pre-application consultation to application submittal and formal review.
- Implements the Milpitas Metro Specific Plan and Main Street/Gateway Specific Plan and coordinates with other departments to ensure timely review of development proposals.
- Provides and updates planning permit fees, submittal requirements, checklists, design guidelines, and publications to support a streamlined permit application and development review process.
- Reviews building plans for conformance with zoning regulations and conditions of approval.
- Administers the City's short-term rental program.
- Provides staff support to the Planning Commission and other planning-related advisory groups.
- Coordinates with the City Manager's office in working with outside agencies, regional organizations, and local businesses.
- Coordinates with outside agencies on regional planning, transportation, and environmental issues.
- Maintains City demographics and geographic-based information.
- Promotes the City of Milpitas as a vibrant community to live, work, shop, learn, and play.





















# Planning Department






| Accomplishments |   | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|-----------------|---|---|---|--|---|---|---|---|
|                 |   |  |  |  |  |  |  |  |
| 1.              | Completed the Milpitas 2040 General Plan and Environmental Impact Report (EIR)  | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 2.              | Continued work on the Milpitas Metro Specific Plan  | ✓   | ✓   |  |   | ✓   |   | ✓   |
| 3.              | Initiated work for the Main St./Gateway Specific Plan   |   | ✓   |  |   | ✓   |   | ✓   |
| 4.              | Prepared and published Development Review Handbook  |   | ✓   |  | ✓   | ✓   |   |   |
| 5.              | Developed Accessory Dwelling Units (ADU) Toolkit and online resources to promote ADUs   |   |   |  | ✓   | ✓   |   |   |
| 6.              | Developed a policy for use of vehicle miles traveled (VMT) to measure potential traffic and air quality impacts under California Environmental Quality Act (CEQA) |   |   | ✓  | ✓   |   |   | ✓   |
| 7.              | Received \$1 million grant from VTA and partnered with RideCo to develop and implement a local on-demand transit program  |   | ✓   |  | ✓   |   |   | ✓   |
| 8.              | Initiated grant-funded development of Objective Design Standards and Housing Opportunity Zones  |   |   |  |   | ✓   |   |   |
| 9.              | Developed an online interactive Zoning Map  |   | ✓   |  | ✓   | ✓   |   |   |
| 10.             | Established a new citywide short-term rental permitting program and fee   |   | ✓   |  | ✓   | ✓   |   |   |

| Initiatives |  | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|-------------|--|---|---|--|---|---|---|---|
|             |  |  |  |  |  |  |  |  |
| 1.          | Complete the Milpitas Metro Specific Plan and Environmental Impact Report (EIR)              | ✓   | ✓   | ✓  |   | ✓   |   | ✓   |
| 2.          | Update the Metro Area Development Impact Fee   | ✓   |   |  | ✓   | ✓   |   | ✓   |
| 3.          | Initiate work on the Main Street/Gateway Specific Plan                                       | ✓   | ✓   | ✓  |   | ✓   |   | ✓   |
| 4.          | Initiate a comprehensive update of the City's Zoning Ordinance                               | ✓   | ✓   |  | ✓   | ✓   |   | ✓   |
| 5.          | Implement and monitor the Short-term Rental (STR) Program                                    |   | ✓   |  | ✓   |   |   |   |
| 6.          | Implement and monitor the Milpitas On-Demand local transit program                           |   |   | ✓  | ✓   |   |   | ✓   |
| 7.          | Develop and implement a citywide policy for micro-mobility                                   |   |   | ✓  | ✓   |   |   | ✓   |
| 8.          | Support implementation of the Economic Development Strategy                                  |   | ✓   |  |   |   |   |   |
| 9.          | Support development of the Climate Action Plan   |   |   |  | ✓   | ✓   |   |   |
| 10.         | Support development of the Parks & Rec Master Plan and the Trails, Pedestrian, and Bike Plan | ✓   |   | ✓  | ✓   | ✓   |   | ✓   |

## Performance and Workload Measures

| PERFORMANCE MEASURES   | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target  | FY 20-21 Estimate | FY 21-22 Target  |
|--|---|-----------------|-----------------|------------------|-------------------|------------------|
| <b>Administrative Approvals/Permits:</b>                                   |   |                 |                 |                  |                   |                  |
| 1) First review completed within 21 calendar days                          |    | N/A             | N/A             | 90%              | 93%               | 90%              |
| 2) Average cumulative staff review time                                    |    | N/A             | N/A             | 14 calendar days | 7 calendar days   | 7 calendar days  |
| 3) Average total processing time from complete application to disposition  |    | N/A             | N/A             | 28 calendar days | 14 calendar days  | 14 calendar days |
| <b>Zoning Administrator Applications:</b>                                  |   |                 |                 |                  |                   |                  |
| 1) First review completed within 30 calendar days                          |    | N/A             | N/A             | 90%              | 90%               | 90%              |
| 2) Average cumulative staff review time                                    |    | N/A             | N/A             | 45 calendar days | 45 calendar days  | 45 calendar days |
| 3) Average total processing time from complete application to disposition  |   | N/A             | N/A             | 90 calendar days | 60 calendar days  | 60 calendar days |
| <b>Planning Commission Applications:</b>                                   |   |                 |                 |                  |                   |                  |
| 1) First review completed within 45 calendar days                          |  | N/A             | N/A             | 90%              | 90%               | 90%              |
| 2) Average cumulative staff review time                                    |  | N/A             | N/A             | 75 calendar days | 75 calendar days  | 75 calendar days |
| 3) Average total processing time from complete application to disposition: |  | N/A             | N/A             |                  |                   |                  |
| a. Projects with Exemption   |   |                 |                 | 150 days         | 150 days          | 150 days         |
| b. Projects with Mitigated Negative Declaration                            |   |                 |                 | 180 days         | 180 days          | 180 days         |
| c. Projects with Environmental Impact Report                               |   |                 |                 | 360 days         | 360 days          | 360 days         |

| ACTIVITY AND WORKLOAD DATA  | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Total planning permits/zoning approvals issued  |  | N/A             | N/A             | 400             | 300               | 400             |
| Total planning applications with public hearing   |  | N/A             | N/A             | 60              | 50                | 60              |
| Total long-range planning projects (policy and zoning updates) in progress or completed |  | N/A             | N/A             | 6               | 9                 | 9               |

## Budget Summary

| DOLLARS BY FUNCTION | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|---------------------|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|
| Long Range Planning | \$0                | \$43,689           | \$230,312          | \$238,961           | \$8,649              | 3.8%                |
| Planning            | 1,708,311          | 2,072,244          | 2,012,920          | 1,743,197           | (269,723)            | (13.4)%             |
| <b>TOTAL</b>        | <b>\$1,708,311</b> | <b>\$2,115,933</b> | <b>\$2,243,232</b> | <b>\$1,982,158</b>  | <b>(\$261,074)</b>   | <b>(11.6)%</b>      |

| DOLLARS BY CATEGORY                 | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|-------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>           |                   |                   |                    |                     |                      |                     |
| <b>4111</b> Permanent Salaries      | \$1,028,240       | \$1,265,110       | \$1,423,115        | \$1,317,224         | (\$105,891)          | (7.4)%              |
| <b>4112</b> Temporary Salaries      | 1,918             | 12,612            | 44,000             | 0                   | (44,000)             | (100.0)%            |
| <b>4113</b> Overtime                | (1,033)           | 1,148             | 12,000             | 12,000              | 0                    | 0.0%                |
| <b>4121</b> Allowances              | 0                 | 6,600             | 6,600              | 5,666               | (934)                | (14.2)%             |
| <b>4124</b> Leave Cashout           | 16,195            | 14,373            | 0                  | 0                   | 0                    | 0.0%                |
| <b>4131</b> PERS                    | 381,777           | 470,142           | 421,755            | 409,081             | (12,674)             | (3.0)%              |
| <b>4132</b> Group Insurance         | 152,034           | 170,364           | 185,508            | 159,458             | (26,050)             | (14.0)%             |
| <b>4133</b> Medicare                | 15,072            | 18,810            | 21,429             | 19,182              | (2,247)              | (10.5)%             |
| <b>4135</b> Worker's Compensation   | 5,426             | 6,573             | 7,355              | 6,350               | (1,005)              | (13.7)%             |
| <b>4138</b> Deferred Comp-Employer  | 7,451             | 8,100             | 9,000              | 7,883               | (1,117)              | (12.4)%             |
| <b>4139</b> PARS                    | 156               | 167               | 720                | 0                   | (720)                | (100.0)%            |
| <b>4141</b> Adjustments-Payroll     | 0                 | 0                 | 0                  | 0                   | 0                    | 0.0%                |
| <b>4146</b> Short Term Disability   | 0                 | 0                 | 840                | 721                 | (119)                | (14.2)%             |
| <b>4161</b> Retiree Medical Reserve | 54,382            | 63,947            | 61,710             | 9,793               | (51,917)             | (84.1)%             |
| <b>sub-total</b>                    | <b>1,661,618</b>  | <b>2,037,946</b>  | <b>2,194,032</b>   | <b>1,947,358</b>    | <b>(246,674)</b>     | <b>(11.2)%</b>      |

|   |                    |                    |                    |                    |                    |                |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b>    |                    |                    |                    |                    |                    |                |
| <b>4210</b> Department Allocations          | 0                  | 2,473              | 0                  | 0                  | 0                  | 0.0%           |
| <b>4220</b> Supplies                        | 11,318             | 3,915              | 12,000             | 6,000              | (6,000)            | (50.0)%        |
| <b>4230</b> Services                        | 14,140             | 52,582             | 15,000             | 15,000             | 0                  | 0.0%           |
| <b>4500</b> Training, Travel, & Memberships | 21,235             | 19,017             | 22,200             | 13,800             | (8,400)            | (37.8)%        |
| <b>sub-total</b>                            | <b>46,693</b>      | <b>77,987</b>      | <b>49,200</b>      | <b>34,800</b>      | <b>(14,400)</b>    | <b>(29.3)%</b> |
| <b>TOTAL</b>                                | <b>\$1,708,311</b> | <b>\$2,115,933</b> | <b>\$2,243,232</b> | <b>\$1,982,158</b> | <b>(\$261,074)</b> | <b>(11.6)%</b> |

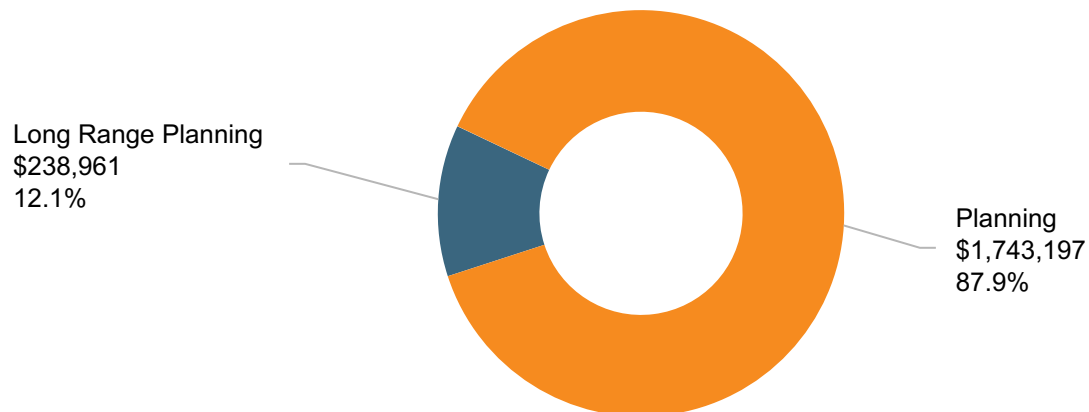
# Staffing

| POSITIONS BY FUNCTION | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|-----------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Planning              | 9.00               | 9.00               | 9.00               | 8.00               | (1.00)            |
| Long Range Planning   | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| <b>TOTAL</b>          | <b>9.00</b>        | <b>9.00</b>        | <b>10.00</b>       | <b>9.00</b>        | <b>(1.00)</b>     |

\*1.0 Planning Manager has been eliminated.

| POSITIONS                | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|--------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Administrative Assistant | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Assistant Planner        | 1.00               | 2.00               | 2.00               | 0.00               | (2.00)            |
| Associate Planner        | 2.00               | 2.00               | 2.00               | 3.00               | 1.00              |
| Junior Planner           | 1.00               | 0.00               | 0.00               | 1.00               | 1.00              |
| Planning Director        | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Planning Manager         | 1.00               | 1.00               | 1.00               | 0.00               | (1.00)            |
| Principal Planner        | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Secretary                | 1.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Senior Planner           | 2.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| <b>Total Positions</b>   | <b>9.00</b>        | <b>10.00</b>       | <b>10.00</b>       | <b>9.00</b>        | <b>(1.00)</b>     |

## Expenditures by Function







## Budget Reconciliation



|   | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>  | <b>10.00</b>  | <b>\$1,931,383</b>        | <b>\$311,849</b>        | <b>\$2,243,232</b>    |
| <b>Adjustments to Costs of Ongoing Activities</b>                           |               |                           |                         |                       |
| Salary and Benefits   |               | 50,583                    | 10,836                  | 61,419                |
| <b>Adjustments to Costs of Ongoing Activities</b>                           | <b>0.00</b>   | <b>50,583</b>             | <b>10,836</b>           | <b>61,419</b>         |
| <b>Total FY2021-22 Base Budget</b>  | <b>10.00</b>  | <b>1,981,966</b>          | <b>322,685</b>          | <b>2,304,651</b>      |
| <b>Service Level Changes</b>  |               |                           |                         |                       |
| Management Oversight Reduction - Planning Department (1.0 Planning Manager) | (1.00)        | (209,561)                 | (52,874)                | (262,435)             |
| Intern Funding Reduction  |               | (45,658)                  |                         | (45,658)              |
| Non-Personnel Expenditure Reduction (one-time)                              |               | (14,400)                  |                         | (14,400)              |
| <b>Total Service Level Changes</b>  | <b>(1.00)</b> | <b>(269,619)</b>          | <b>(52,874)</b>         | <b>(322,493)</b>      |
| <b>Total FY 2021-22 Budget</b>  | <b>9.00</b>   | <b>\$1,712,347</b>        | <b>\$269,811</b>        | <b>\$1,982,158</b>    |



## Service Level Changes

|   |  | Positions   | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|--|---|---------------------------|-------------------------|-----------------------|
| 1.  | Intern Funding Reductions  |   | (\$45,658)                | \$0                     | (\$45,658)            |
|  | This action eliminates temporary salary funding for two intern positions which assisted with GIS and other projects and duties.  |   |                           |                         |                       |
|   | Performance Impact   |  |                           |                         |                       |
|   | Defunding these (2) temporary positions will have minor impact on department operations. Both positions have been vacant most of the past year. Existing full-time staff will continue supporting GIS and other technical duties for the department and handle all administrative tasks. |   |                           |                         |                       |
|   | Mitigation   |   |                           |                         |                       |
|   | No mitigation measures identified because service level is not reduced.  |   |                           |                         |                       |

|   |  |   |            |     |            |
|---|--|---|------------|-----|------------|
| 2.  | Non-Personnel Expenditure Reduction  |   | (\$14,400) | \$0 | (\$14,400) |
|  | The action reduces the General Office Supplies budget one-time.  |   |            |     |            |
|   | Performance Impact   |  |            |     |            |
|   | With our entire team teleworking and most of our applicant's and City documents going digital, the impact is expected to be minimal. As part of the FY 2022-23 budget development, the General Office supply budget will be reevaluated. |   |            |     |            |
|   | Mitigation   |   |            |     |            |
|   | No mitigation measures identified because service level is not reduced.  |   |            |     |            |

|  |   |   |             |            |             |
|--|---|---|-------------|------------|-------------|
| 3.   | Management Oversight Reduction – Planning Department  | (1.00)  | (\$209,561) | (\$52,874) | (\$262,435) |
|   | This action eliminates 1.0 Planning Manager position and reclassifies two positions. The Planning Manager position currently supervises six planning staff and one administrative staff, oversees daily operations at the Permit Counter, assigns projects and tasks to staff, provides project oversight, and responds to questions and issues from developers, Milpitas residents, and business owners. Further, the position reviews staff reports and coordinates preparation for public meetings, chairs the weekly Development Review Committee meetings, collaborates with other departments on management initiatives and tasks, and acts as Department Director in his absence. The position has been an active contributor to the Metro Plan (TASP Update) and served as the project manager over the update of the General Plan, which will be completed on 3/9. This action also aligns the complement of staff by reclassifying 1.0 Assistant Planner to 1.0 Associate Planner and 1.0 Assistant Planner to 1.0 Junior Planner to partially mitigate the elimination of the Planning Manager position. |   |             |            |             |
| Performance Impact   |   |  |             |            |             |
| With the elimination of this position, it is anticipated that response time to questions/complaints from developers, residents, and business owners and project assignments and referrals to other departments/agencies may be delayed by one day or more. Primary responsibility for review and editing of reports and correspondence fall upon the Director with support from Senior Planners. Junior staff will need to take on administrative tasks currently performed by Planning Manager position. Further, less management support will be available for staff, and there will be less capacity for the department to take on major new projects or assignments.   |   |   |             |            |             |
| Mitigation   |   |   |             |            |             |
| The Department will reorganize reporting structure with the Director supervising the Principal Planner, two Senior Planners, and the Admin Assistant positions and the Principal Planner position will supervise three Associate Planners and one Junior Planner. Further, the Principal Planner position will take on some Current Planning responsibilities as well as maintaining current focus on long-range and regional planning projects. The Principal Planner position will also take on larger role in interdepartmental coordination. The Senior Planner positions will take on additional responsibility for assigning projects, reviewing staff reports and correspondence, responding to questions and complaints, responding to PRA requests, and coordinating with junior staff. Finally, junior staff will take on more responsibility at the Permit Counter and may be required to manage more projects to off-load Senior Planners. The reduction in response times to questions/complaints cannot be mitigated as time available to conduct research and coordinate a thorough and thoughtful and legal response will be finite. |   |   |             |            |             |
| Total Service Level Changes  |   | (1.00)  | (\$269,619) | (\$52,874) | (\$322,493) |



# Police

**Acting Police Chief:** Jared Hernandez

## Mission Statement

The Milpitas Police Department is committed to the protection of lives and property by working with our community and providing professional and responsive police services.

## Description

This department provides 24 hours-a-day, 365 days-a-year policing services to the City, keeps the peace, and prevents & controls crime. The Department's nine functions include: Administration, Patrol Services, Traffic Safety Unit, Crossing Guards, Police Community Relations Unit, Investigations Unit, Communications Unit, Records Unit, and Personnel & Training.





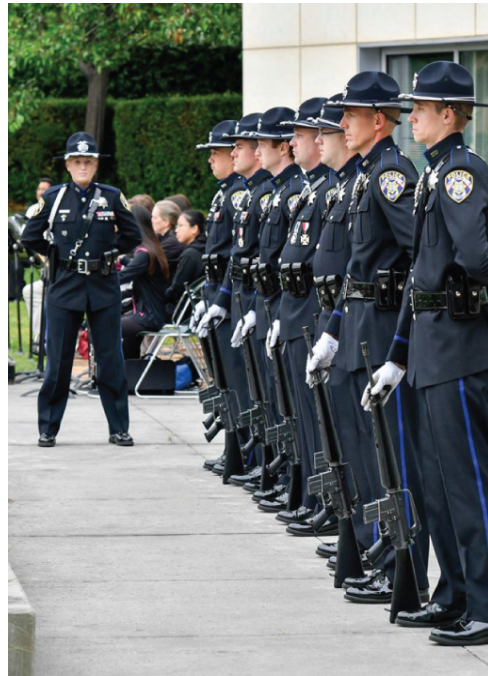
### Services

- Provides 24 hours-a-day, 365 days-a-year response to calls for police services. Safeguards the community from crime through deterrence, prevention, and arrest of offenders. Preserves the public peace, protects life & property, and appropriately enforces laws & ordinances.

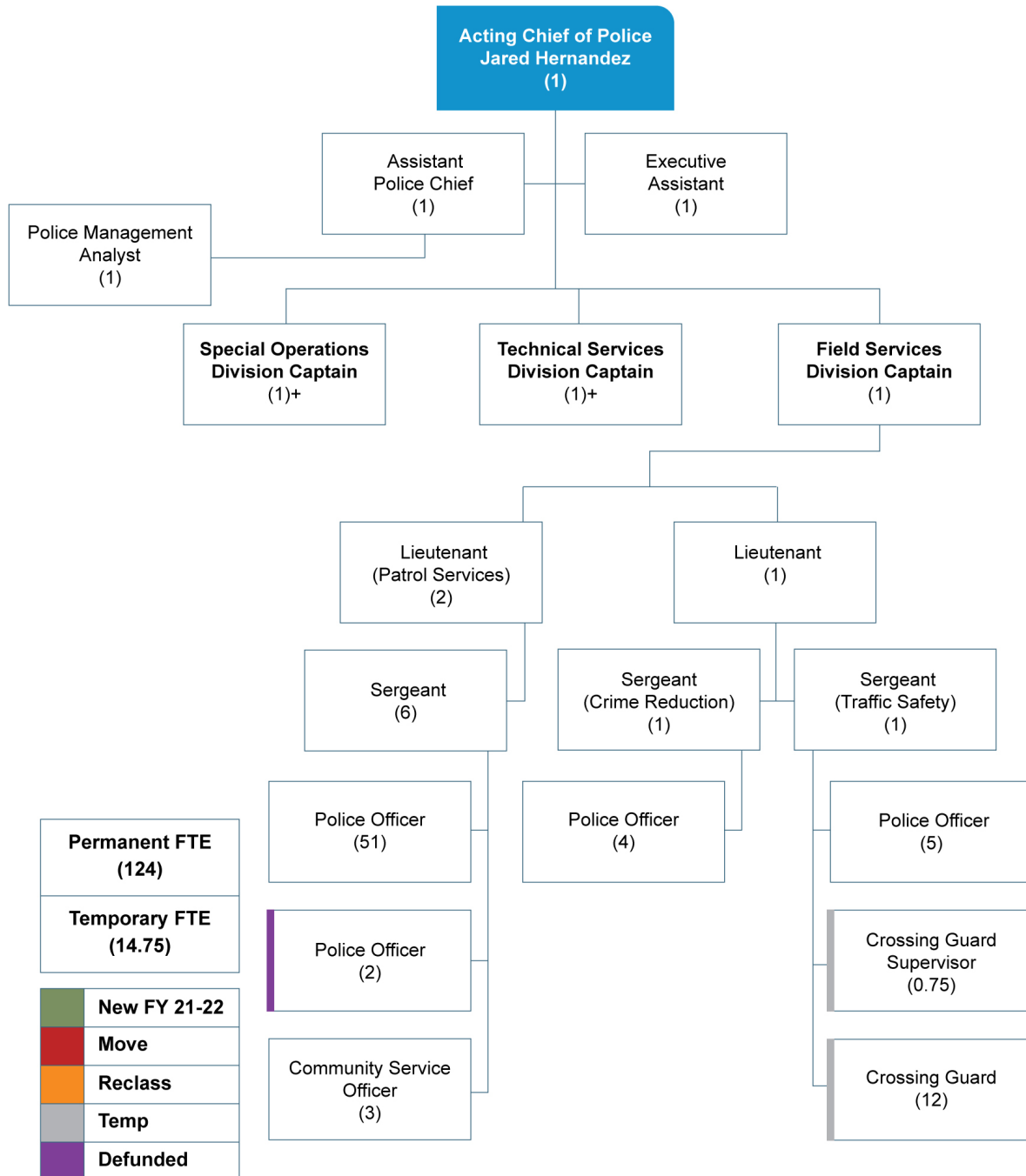


- Investigates automobile thefts, hit-and- runs collisions, and traffic accidents; conducts accident reconstruction for major injury & fatal collisions; provides traffic control at major events and enforces traffic laws.
- Manages the Crossing Guard program, which staffs critical intersections within the City to ensure the safety of children walking to and from schools.
- Facilitates PAL activities & programs and conducts Neighborhood Watch, Police Explorer, Citizen Volunteer, and other crime prevention & education programs.
- Works closely with the school district and county agencies to divert first time offenders from the juvenile justice system through parent counseling and other innovative programs. The School Resource Officer in the Police Community Relations Unit serves Milpitas High School and Calaveras Hills High School.
- Provides follow-up investigation of crimes against persons, fraud, high technology crimes, missing persons, and property crimes.

- Conducts gang prevention, intervention, and investigation programs; tracks sex registrants; and conducts proactive narcotic investigations.
- Provides 24 hours-a-day, 365 days-a-year 9-1-1 emergency telephone answering and emergency dispatching for the police department, fire department, and other City Departments.
- Provides public counter service, filing of criminal complaints, and evidence management. Processes, maintains, and distributes police reports and fire reports, prepares statistical data required by law, and responds to report requests and telephone inquiries from citizens and other authorized entities.
- Maintains a Community Service Officer (CSO) Program to expand services. The CSOs have absorbed many non-hazardous tasks previously assigned to police officers and police officers will remain dedicated to higher priority items. The CSOs provide the community with responsive services at a cost far less than that of a police officer.

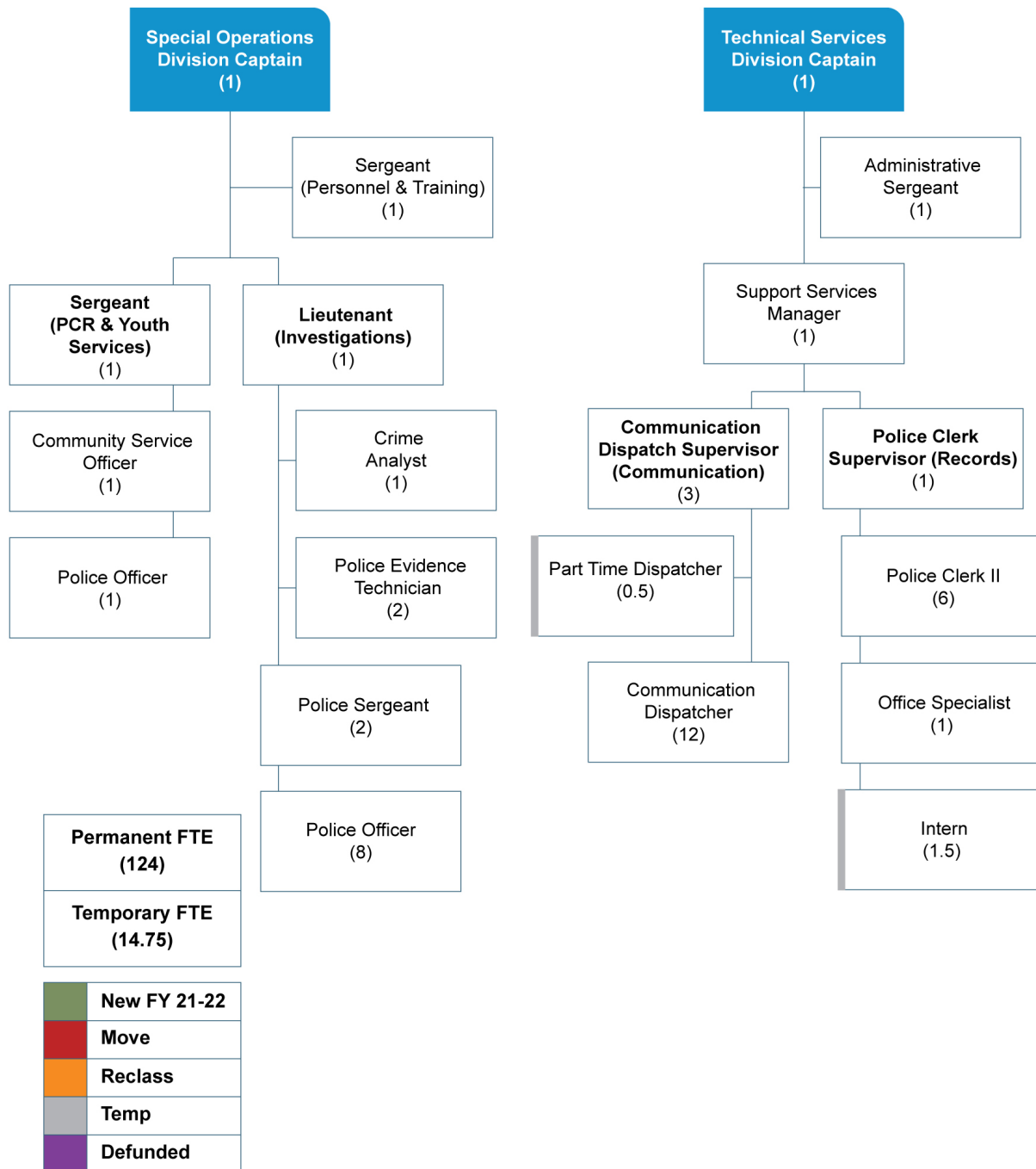


# Police Department

















+Detailed org chart  
on following pages

## Police Department
















|   | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|---|---|---|--|---|---|---|---|
| Accomplishments   |  |  |  |  |  |  |  |
| 1. Maintained an average response time to emergency calls of 2:43 (calendar year 2020).                                     | ✓   | ✓   |  |   | ✓   | ✓   |   |
| 2. Reduced overall Part 1 crimes by 3.48% (calendar year 2020).   |   |   |  |   |   | ✓   |   |
| 3. Answered 96% of 911 calls within ten (10) seconds (calendar year 2020).  |   | ✓   |  |   |   | ✓   |   |
| 4. Participated in over 50 virtual community outreach events.   | ✓   |   |  |   | ✓   | ✓   |   |
| 5. Adopted and implemented the Integrating Communications, Assessment, and Tactics (ICAT) de-escalation model for officers. |   |   |  |   |   | ✓   |   |
| 6. Implemented Critical Incident Training (CIT) and de-escalation training for dispatchers.                                 |   |   |  |   | ✓   | ✓   |   |
| 7. Implemented new technology: stationary ALPR and UAS program.   | ✓   |   |  |   |   | ✓   |   |
| 8. Reviewed and updated department policies to ensure best practices.   |   |   |  |   |   | ✓   |   |

|  |  |  |  |  |  |  |  |
|--|---|---|--|---|---|---|---|
| Initiatives  |   |   |  |   |   |   |   |
| 1. Ensure average response times to emergency calls remains under three (3) minutes.   | ✓   | ✓   |  |   | ✓   | ✓   |   |
| 2. Reduce Part 1 Uniform Crime Reporting and index crimes (murder, sex offenses, robbery, aggravated assault, burglary, motor vehicle theft, and arson) by 2%.                                 |   |   |  |   |   | ✓   |   |
| 3. Ensure 95% of 911 calls are answered by a dispatcher within ten (10) seconds/ The state standard is 95% within fifteen (15) seconds.  |   | ✓   |  |   |   | ✓   |   |
| 4. Host Community Engagement events (in-person, virtual) such as coffee with a cop, HOA community presentations, citizen academies, virtual book readings, and faith-based community meetings. | ✓   |   |  |   | ✓   | ✓   |   |
| 5. Ensure 100% registration verification of known sex offenders.   |   |   |  |   | ✓   | ✓   |   |
| 6. Conduct 15 directed enforcement events to improve traffic safety.   | ✓   |   |  |   | ✓   | ✓   | ✓   |
| 7. Develop a process to redirect youthful offenders away from the juvenile justice system.   | ✓   |   |  |   |   | ✓   |   |

## Performance and Workload Measures

| PERFORMANCE MEASURES  | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Average response time to emergency calls (minutes)  |  | 2:41            | 2:37            | 2:40            | 2:42              | 2:45            |
| Part 1 Uniform Crime Reporting Index crimes (2% annual reduction target)                                  |  | 2,153           | 2,286           | 2,293           | 2,172             | 2,129           |
| Community Events: Coffee with a cop, HOA presentations, Citizen academies, faith-based community meetings |  | 16              | 14              | 15              | 8                 | 11              |
| 9-1-1 calls answered by a dispatcher within ten (10) seconds *  |  | 96%             | 96%             | 96%             | 96%               | 96%             |
| Verification of known sex offenders   |  | 100%            | 100%            | 100%            | 100%              | 100%            |

| ACTIVITY AND WORKLOAD DATA                                      | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Computer Aided Dispatch (CAD) system generated events           |   | 74,821          | 72,650          | 78,990          | 73,649            | 74,500          |
| Arrests reported to FBI (all crimes)                            |  | 2,150           | 1,807           | 2,300           | 1,822             | 2,100           |
| Citations issued  |  | 4,650           | 4,660           | 6,300           | 3,200             | 4,200           |
| Community Presentations   |  | 104             | 64              | 105             | 77                | 80              |
| Number of unhoused/homeless persons contacts                    |  | N/A             | 999             | 1,000           | 1,446             | 1,550           |
| Total hours spent on calls related to unhoused/homeless persons |  | N/A             | 569             | 556             | 951               | 1,033           |

\* State standard is 95% within 15 seconds

## Budget Summary

| DOLLARS BY FUNCTION   | 2018-19<br>Actual   | 2019-20<br>Actual   | 2020-21<br>Adopted  | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|-----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| Communications        | \$3,237,415         | \$3,420,887         | \$4,311,269         | \$4,093,208         | (\$218,061)          | (5.1)%              |
| Community Relations   | 651,478             | 697,122             | 879,980             | 878,718             | (1,262)              | (0.1)%              |
| Crossing Guards       | 373,796             | 358,278             | 513,444             | 513,444             | 0                    | 0.0%                |
| Investigations        | 4,105,749           | 4,419,179           | 5,219,327           | 4,902,514           | (316,813)            | (6.1)%              |
| Patrol Services       | 17,536,965          | 19,807,169          | 21,372,467          | 19,210,118          | (2,162,349)          | (10.1)%             |
| Personnel & Training  | 571,193             | 641,674             | 594,258             | 546,825             | (47,433)             | (8.0)%              |
| Police Administration | 1,228,597           | 1,601,175           | 1,859,746           | 1,691,187           | (168,559)            | (9.1)%              |
| Records               | 1,605,668           | 1,747,344           | 1,564,858           | 1,559,043           | (5,815)              | (0.4)%              |
| Traffic               | 1,440,179           | 1,608,523           | 2,040,671           | 2,271,848           | 231,177              | 11.3%               |
| <b>TOTAL</b>          | <b>\$30,751,040</b> | <b>\$34,301,351</b> | <b>\$38,356,020</b> | <b>\$35,666,904</b> | <b>(\$2,689,116)</b> | <b>(7.0)%</b>       |

| DOLLARS BY CATEGORY                 | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|-------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>           |                   |                   |                    |                     |                      |                     |
| <b>4111</b> Permanent Salaries      | \$15,489,661      | \$17,106,838      | \$19,746,529       | \$18,538,251        | (\$1,208,278)        | (6.1)%              |
| <b>4112</b> Temporary Salaries      | 484,397           | 551,812           | 579,569            | 585,873             | 6,304                | 1.1%                |
| <b>4113</b> Overtime                | 686,372           | 719,723           | 769,598            | 767,643             | (1,955)              | (0.3)%              |
| <b>4121</b> Allowances              | 137,734           | 145,544           | 143,472            | 139,250             | (4,222)              | (2.9)%              |
| <b>4124</b> Leave Cashout           | 688,868           | 496,058           | 0                  | 0                   | 0                    | 0.0%                |
| <b>4131</b> PERS                    | 7,284,572         | 8,725,809         | 9,591,036          | 9,333,231           | (257,805)            | (2.7)%              |
| <b>4132</b> Group Insurance         | 2,271,715         | 2,324,032         | 2,631,144          | 2,716,944           | 85,800               | 3.3%                |
| <b>4133</b> Medicare                | 247,787           | 267,668           | 296,810            | 279,253             | (17,557)             | (5.9)%              |
| <b>4135</b> Worker's Compensation   | 547,381           | 580,977           | 997,543            | 946,854             | (50,689)             | (5.1)%              |
| <b>4138</b> Deferred Comp-Employer  | 6,238             | 7,816             | 9,000              | 11,590              | 2,590                | 28.8%               |
| <b>4139</b> PARS                    | 5,742             | 5,586             | 8,270              | 8,297               | 27                   | 0.3%                |
| <b>4141</b> Adjustments-Payroll     | 0                 | 0                 | 4,500              | 0                   | (4,500)              | (100.0)%            |
| <b>4146</b> Short Term Disability   | 0                 | 0                 | 1,176              | 1,082               | (94)                 | (8.0)%              |
| <b>4161</b> Retiree Medical Reserve | 758,143           | 825,915           | 1,532,398          | 320,047             | (1,212,351)          | (79.1)%             |
| <b>sub-total</b>                    | <b>28,608,610</b> | <b>31,757,778</b> | <b>36,311,045</b>  | <b>33,648,315</b>   | <b>(2,662,730)</b>   | <b>(7.3)%</b>       |

|  |         |         |         |         |          |        |
|--|---------|---------|---------|---------|----------|--------|
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b>     |         |         |         |         |          |        |
| <b>4200</b> Community Promotion, Grant/ Loan | 0       | 0       | 500     | 500     | 0        | 0.0%   |
| <b>4210</b> Department Allocations           | 511,449 | 617,268 | 660,966 | 614,780 | (46,186) | (7.0)% |
| <b>4220</b> Supplies                         | 328,716 | 400,600 | 175,579 | 175,579 | 0        | 0.0%   |

## Budget Narrative and Summary

| DOLLARS BY CATEGORY |                                 | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|---------------------|---------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| 4230                | Services                        | 940,107           | 1,152,086         | 952,260            | 972,060             | 19,800               | 2.1%                |
| 4240                | Repair & Maintenance            | 23,762            | 34,911            | 33,769             | 33,769              | 0                    | 0.0%                |
| 4410                | Communications                  | 22,726            | 16,896            | 18,000             | 18,000              | 0                    | 0.0%                |
| 4500                | Training, Travel, & Memberships | 168,333           | 179,247           | 143,901            | 143,901             | 0                    | 0.0%                |
| sub-total           |                                 | 1,995,093         | 2,401,008         | 1,984,975          | 1,958,589           | (26,386)             | (1.3)%              |

### CAPITAL OUTLAY

|           |                              |              |              |              |              |               |        |
|-----------|------------------------------|--------------|--------------|--------------|--------------|---------------|--------|
| 4850      | Vehicles                     | 18,636       | 73,349       | 0            | 0            | 0             | 0.0%   |
| 4870      | Machinery and Equipment      | 11,509       | 0            | 0            | 0            | 0             | 0.0%   |
| 4910      | Office Furniture & Fixtures  | 115,106      | 68,426       | 0            | 0            | 0             | 0.0%   |
| 4920      | Machinery, Tools & Equipment | 2,086        | 790          | 60,000       | 60,000       | 0             | 0.0%   |
| sub-total |                              | 147,337      | 142,565      | 60,000       | 60,000       | 0             | 0.0%   |
| TOTAL     |                              | \$30,751,040 | \$34,301,351 | \$38,356,020 | \$35,666,904 | (\$2,689,116) | (7.0)% |

## Staffing

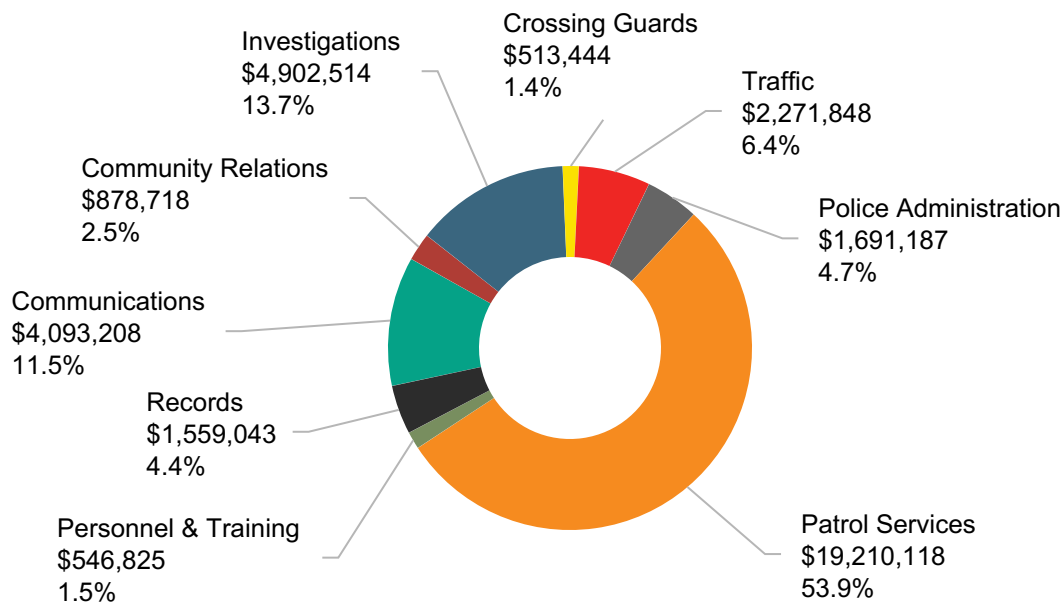
| POSITIONS BY FUNCTION | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|-----------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Communications        | 16.00              | 17.00              | 17.00              | 17.00              | 0.00              |
| Community Relations   | 2.00               | 2.00               | 3.00               | 3.00               | 0.00              |
| Crossing Guards       | 0.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Investigations        | 12.00              | 13.00              | 15.00              | 15.00              | 0.00              |
| Patrol Services       | 65.00              | 72.00              | 71.00              | 69.00              | (2.00)            |
| Personnel & Training  | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Police Administration | 4.00               | 5.00               | 5.00               | 5.00               | 0.00              |
| Records               | 11.00              | 10.00              | 8.00               | 8.00               | 0.00              |
| Traffic               | 6.00               | 6.00               | 6.00               | 6.00               | 0.00              |
| TOTAL                 | 117.00             | 126.00             | 126.00             | 124.00             | (2.00)            |

| POSITIONS                      | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Assistant Police Chief         | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Chief of Police                | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Communications Dispatch Superv | 3.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Communications Dispatcher      | 11.00              | 12.00              | 12.00              | 12.00              | 0.00              |
| Community Service Officer      | 0.00               | 4.00               | 4.00               | 4.00               | 0.00              |

| POSITIONS                   | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Crime Analyst               | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Executive Assistant         | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Executive Secretary         | 1.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Office Specialist           | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Patrol Officer              | 3.00               | 3.00               | 0.00               | 0.00               | 0.00              |
| Police Captain              | 3.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Police Clerk II             | 6.00               | 6.00               | 6.00               | 6.00               | 0.00              |
| Police Clerk Supervisor     | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Police Evidence Technician  | 2.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Police Lieutenant           | 4.00               | 4.00               | 4.00               | 4.00               | 0.00              |
| Police Management Analyst   | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Police Officer*             | 65.00              | 68.00              | 71.00              | 69.00              | (2.00)            |
| Police Sergeant             | 13.00              | 13.00              | 13.00              | 13.00              | 0.00              |
| Police Support Services Mgr | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| <b>Total Positions</b>      | <b>117.00</b>      | <b>126.00</b>      | <b>126.00</b>      | <b>124.00</b>      | <b>(2.00)</b>     |

\*2.0 Police Officers are defunded until June 30,2022.

## Expenditures by Function








## Budget Reconciliation

|  | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|--|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>   | <b>126.00</b> | <b>\$38,296,020</b>       | <b>\$60,000</b>         | <b>\$38,356,020</b>   |
| <b>One-Time Prior Year Budget Adjustments</b>  |               |                           |                         |                       |
| 4th of July, 2020 Savings - Police   |               | 11,000                    |                         | 11,000                |
| <b>One-Time Prior Year Budget Adjustments</b>  | <b>0.00</b>   | <b>11,000</b>             | <b>0</b>                | <b>11,000</b>         |
| <b>Adjustments to Costs of Ongoing Activities</b>  |               |                           |                         |                       |
| Salary and Benefits  |               | (2,152,641)               |                         | (2,152,641)           |
| Equipment Replacement Amortization   |               | (46,186)                  |                         | (46,186)              |
| Contractual Services (Santa Clara County Sheriff's Office California ID, Background Check, Santa Clara County Data Processing) |               | 19,800                    |                         | 19,800                |
| <b>Adjustments to Costs of Ongoing Activities</b>  | <b>0.00</b>   | <b>(2,179,027)</b>        | <b>0</b>                | <b>(2,179,027)</b>    |
| <b>Total FY2020-21 Base Budget</b>   | <b>126.00</b> | <b>36,127,993</b>         | <b>60,000</b>           | <b>36,187,993</b>     |
| <b>Service Level Changes</b>   |               |                           |                         |                       |
| Sworn Police Staff Defunding (2.0 Police Officers, One-Time, until 06/30/2022)   | (2.00)        | (510,000)                 | 0                       | (510,000)             |
| 4th of July Savings - Police (One-Time)  |               | (11,089)                  |                         | (11,089)              |
| <b>Total Service Level Changes</b>   | <b>(2.00)</b> | <b>(521,089)</b>          | <b>0</b>                | <b>(521,089)</b>      |
| <b>Total FY 2020-21 Budget</b>   | <b>124.00</b> | <b>\$35,606,904</b>       | <b>\$60,000</b>         | <b>\$35,666,904</b>   |

\* 2.0 Police Officers are defunded until June 30,2022.

## Service Level Changes

|   |   | Positions   | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---|---|---------------------------|-------------------------|-----------------------|
| 1.  | Sworn Police Staff Defunding  | (2.00)  | (\$510,000)               | \$0                     | (\$510,000)           |
|  | This action defunds 2.00 vacant Police Officer positions until June 30, 2022.   |   |                           |                         |                       |
|   | Performance Impact  |  |                           |                         |                       |
|   | The defunding of the positions is expected to minimally impact Police operations given the current number of 85 filled sworn positions and the anticipated hiring of 6 vacant sworn positions. With the anticipated hiring of 6 positions, the Department's ability to effectively train new officers will be at capacity. Further, the current state of the economy, lower ridership on BART, and shelter-in-place regulations in Santa Clara County have reduced the number of calls for service. With the opening up of the economy, the funding of these two positions for FY 2022-23 is anticipated to be necessary. |   |                           |                         |                       |
|   | Mitigation  |   |                           |                         |                       |
|   | No mitigation measures identified because service level is not reduced.   |   |                           |                         |                       |

|   |   |   |            |     |            |
|---|---|---|------------|-----|------------|
| 2.  | 4th of July Savings - Police  | 0.00  | (\$11,089) | \$0 | (\$11,089) |
|  | The City of Milpitas annually celebrates the Fourth of July at a signature special event attracting as many 12,000+ residents and Bay Area visitors to the Milpitas Sports Center complex. Attendees enjoy a pool party, evening concert and a professional Fireworks show. However, due to the current COVID-19 pandemic, Santa Clara County Public Health restrictions prohibit large gatherings that preclude the traditional festivities. This action reduces \$11,089 in overtime as part of a total one-time reduction across three departments in the amount of \$106,089. |   |            |     |            |
|   | Performance Impact  |   |            |     |            |
|   | Not Applicable  |   |            |     |            |
|   | Mitigation  |   |            |     |            |
|   | Not Applicable  |   |            |     |            |

|                             |  |        |             |     |             |
|-----------------------------|--|--------|-------------|-----|-------------|
| Total Service Level Changes |  | (2.00) | (\$521,089) | \$0 | (\$521,089) |
|-----------------------------|--|--------|-------------|-----|-------------|





# Public Works

**Director:** Tony Ndah

## Mission Statement

The Public Works Department is committed to enhancing the quality of life and ensuring public health and safety in the community by providing: Quality and responsive service and resources to operate and maintain the City's infrastructure in a safe, timely, and efficient manner.

## Description

The Public Works Department operates and maintains the City's infrastructure and facilities, including public streets, utilities, parks, street landscaping, City vehicles, and City buildings. The Department also oversees and implements key environmental services and sustainability programs, including the Climate Action Plan, solid waste program and regulatory compliance. The ten functions are Administration, Streets Maintenance, Utility Engineering, Utility Operations and Maintenance, Park Maintenance, Trees and Landscape Maintenance, Fleet Maintenance, Facilities Maintenance, Environmental Compliance and Sustainability, and Solid Waste.

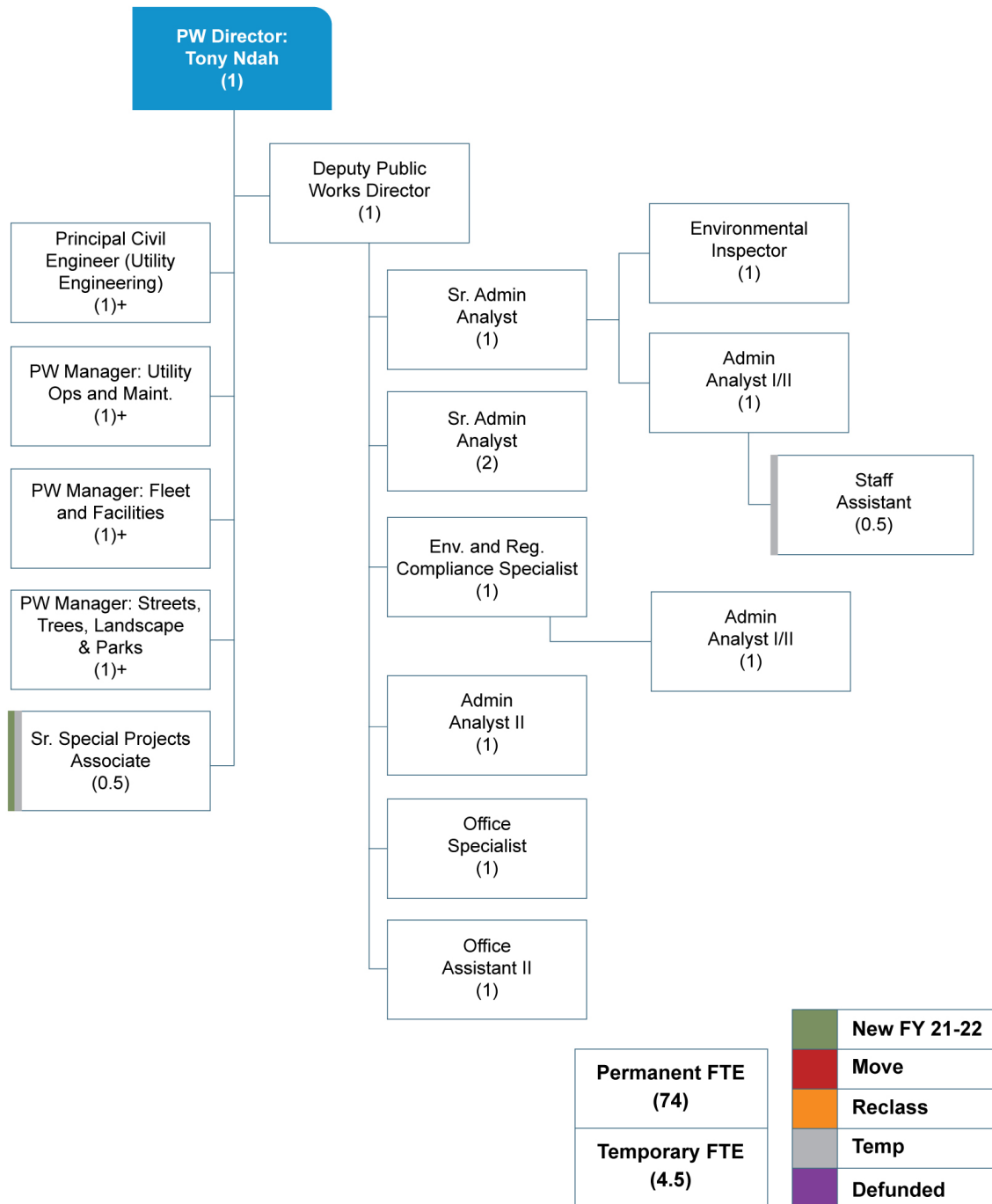


### Services

- Provides management, direction and coordination for the operation, maintenance, and repair of City infrastructure and equipment assets.
- Controls and manages department budgets, including large/complex projects and contracts; implements improvements to operations of department functions and formulates policies and procedures; and administers department training and safety programs.
- Maintains the City's traffic signal system, street signs, street lights, paved roadways, and pavement markings in accordance with the Clean & Safe Streets program and State Code requirements.
- Provides sidewalk repair, right-of-way weed abatement, and debris and graffiti removal.
- Operates and maintains the water distribution system, including 206 miles of water lines, 4 pumping stations, 5 storage reservoirs, and numerous pressure valves regulating 7 pressure zones, to deliver 11 million gallons per day of potable water to approximately 16,750 accounts.
- Provides asset management and engineering support to ensure compliance with regulatory permits for the City's water, sewer, and stormwater systems.
- Operates and maintains the sewer collection system, including 175 miles of sewer lines and 2 pumping stations to discharge 14.9 million gallons per day to the San Jose/Santa Clara Regional Wastewater Facility.
- Operates and maintains the stormwater collection system, including 105 miles of storm pipe and 13 pump stations to convey storm water to local creeks.
- Manages the City's sustainability and environmental programs including climate action, solid waste, stormwater management, and compliance with state, federal and local environmental regulations.
- Provides park maintenance for more than 190 acres of parkland, including playgrounds, picnic areas, athletic fields, pathways, landscaping, park restrooms, park trees, lagoons, and parking lots.
- Maintains more than 17,357 trees and 125 acres of median landscaping, including City tree planting and pruning, trails, and litter control.
- Maintains and repairs City vehicles and motorized equipment, including police vehicles, fire apparatus, construction equipment, mowers, and communication radios.
- Maintains City buildings and grounds, including building systems (plumbing, electrical, heating, air conditioning, ventilation, and backup power); sets up rooms for rental groups and meetings; and provides custodial services.



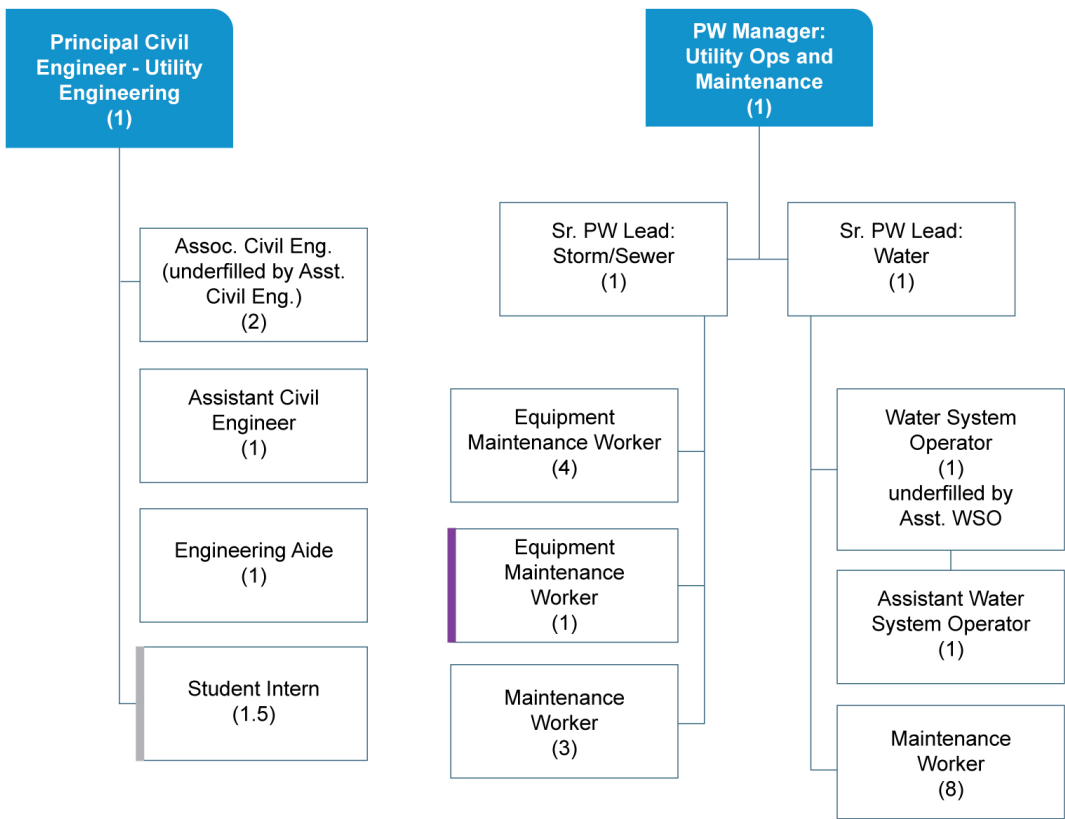
# Public Works Department



+Detailed org chart on following pages

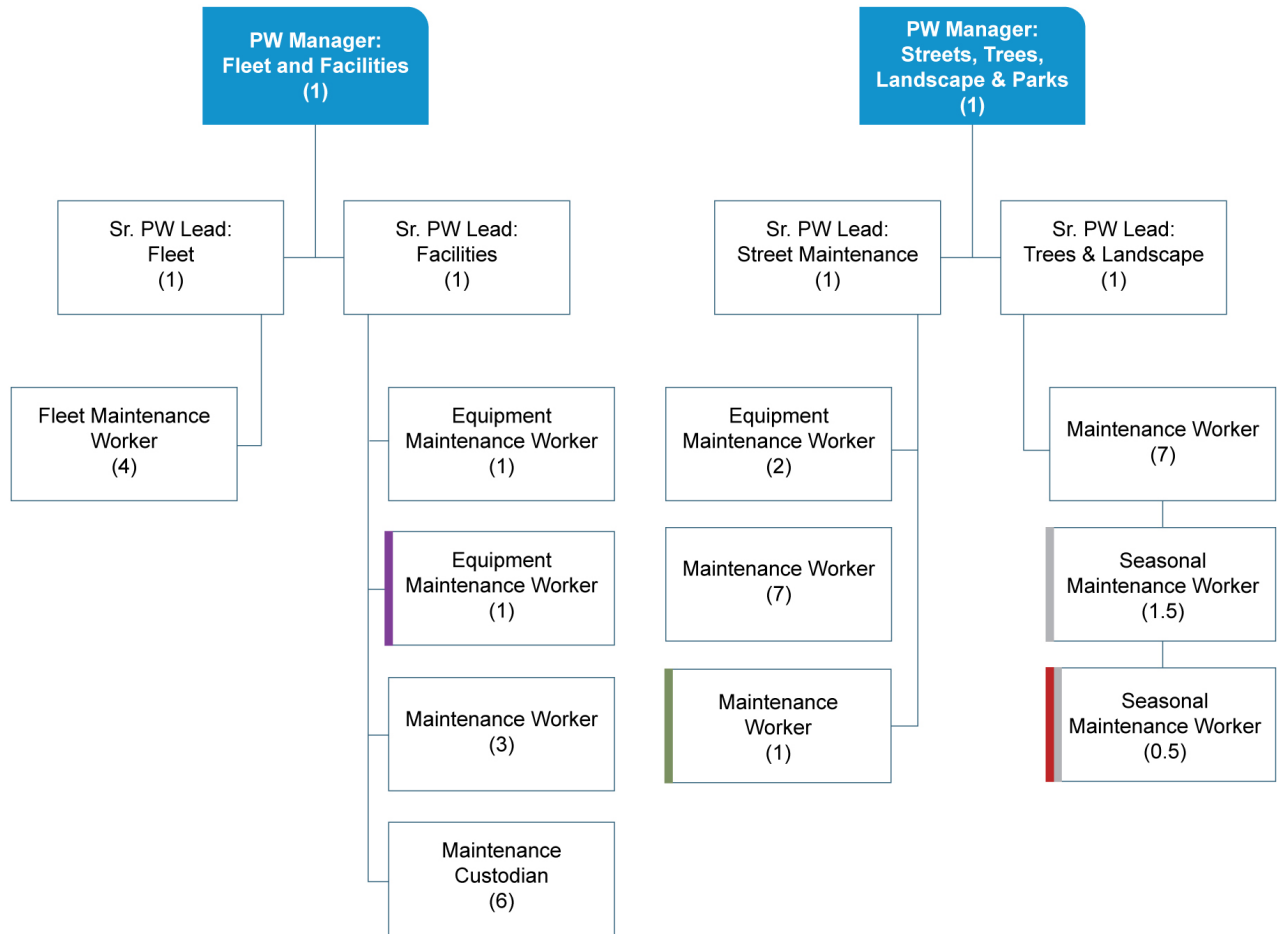


Public Works Department




|                     |              |
|---------------------|--------------|
|                     | New FY 21-22 |
| Permanent FTE (74)  | Move         |
|                     | Reclass      |
| Temporary FTE (4.5) | Temp         |
|                     | Defunded     |








# Public Works Department













|                        |              |
|------------------------|--------------|
|                        | New FY 21-22 |
|                        | Move         |
|                        | Reclass      |
|                        | Temp         |
|                        | Defunded     |
| Permanent FTE<br>(74)  |              |
| Temporary FTE<br>(4.5) |              |

| Accomplishments |   | Community Wellness and Open Space   | Economic Development and Job Growth   | Environment  | Governance & Administration   | Neighborhoods and Housing   | Public Safety   | Transportation and Transit  |
|-----------------|---|---|---|--|---|---|---|---|
|                 |   |  |  |  |  |  |  |  |
| 1.              | Implemented COVID safety measures at all City facilities to ensure staff safety.  | ✓   |   |  | ✓   |   | ✓   |   |
| 2.              | Awarded contract to Engie for implementation of energy and water savings measures.  | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 3.              | Worked with Finance to secure bond financing for infrastructure and resiliency projects.  |   |   |  | ✓   |   |   |   |
| 4.              | Added electric vehicles to City fleet and installed electric vehicle charging stations at City Hall and Public Works facilities for the City's fleet.   |   |   | ✓  | ✓   |   |   |   |
| 5.              | Launched Street Sweeping Pilot Program  | ✓   |   | ✓  |   |   |   |   |
| 6.              | Initiated pilot program for de-chlorination at Gibraltar Pump Station to achieve efficiency and energy savings.   | ✓   |   | ✓  | ✓   |   |   |   |
| 7.              | Completed Master Plan Updates for Sewer, Water, and Storm Drain utilities and the Urban Water Management Plan   |   |   | ✓  |   |   |   |   |
| 8.              | Completed playground safety repair projects at multiple parks.  | ✓   |   |  |   |   |   |   |
| 9.              | Continued the City's Community Odor Monitoring Pilot and coordinated with BAAQMD on Regional Odor Study.  | ✓   |   | ✓  |   |   |   |   |
| 10.             | Initiated assessment and GIS inventory of citywide signs with a focus on replacement and upgrade of illuminated and residential street signs, traffic signs, parks and other facilities signage | ✓   |   | ✓  |   |   | ✓   |   |













|    | Initiatives   | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|----|---|---|---|--|---|---|---|---|
|    |   |  |  |  |  |  |  |  |
| 1. | Provide cost effective maintenance and repair services that meet or exceed industry standards or best practices.                  | ✓   |   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 2. | Implement asset management programs to ensure the City's assets and infrastructure are updated and well maintained.               | ✓   | ✓   | ✓  | ✓   | ✓   | ✓   | ✓   |
| 3. | Develop, support, and retain an exceptionally qualified, well trained, and diverse work force.                                    |   | ✓   |  | ✓   |   | ✓   |   |
| 4. | Implement Council approved energy and water savings measures.   |   |   | ✓  |   |   |   |   |
| 5. | Implement capital projects and programs based on recommendations from the Utility Master Plans                                    | ✓   |   | ✓  |   |   | ✓   |   |
| 6. | Monitor, evaluate and report to Council on implementation of pilot program for parking enforced street sweeping.                  |   |   | ✓  |   |   |   |   |
| 7. | Implement beautification and programs for the City including dumpster days, and volunteer graffiti and litter abatement programs. | ✓   |   | ✓  |   |   |   |   |
| 8. | Implement tree planting program based on the recommendations from the City's Urban Forest Management Plan.                        |   |   | ✓  | ✓   |   | ✓   |   |
| 9. | Update the Climate Action Plan to meet the City's sustainability goals.   | ✓   |   | ✓  | ✓   |   |   |   |

## Performance and Workload Measures

| PERFORMANCE MEASURES  | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Customers surveyed that are satisfied with facility maintenance services                                  |    | N/A             | N/A             | 90%             | 90%               | 90%             |
| Up-time for City vehicles and equipment *   |    | N/A             | N/A             | 5%              | 5%                | 5%              |
| Graffiti incidents removed in 10 days   |    | N/A             | 19%             | 90%             | 90%               | 90%             |
| Water samples meeting or surpassing State and Federal water quality standards                             |    | 100%            | 100%            | 100%            | 100%              | 100%            |
| Utility capital projects completed on schedule and within budget in accordance with work plan milestone * |    | N/A             | N/A             | N/A             | N/A               | 80%             |
| Reduction in community-wide greenhouse gas (GHG) emissions below baseline                                 |    | N/A             | 19%             | 15%             | 15%               | 15%             |
| Users rating parks in good or better condition *  |    | N/A             | N/A             | N/A             | N/A               | 80%             |
| Regulatory compliance items completed on-time *   |   | N/A             | N/A             | N/A             | N/A               | 100%            |
| Stormwater permit requirements completed on-time *  |  | N/A             | N/A             | N/A             | N/A               | 100%            |
| Total work orders closed out within one month or less   |  | N/A             | N/A             | N/A             | N/A               | 80%             |

\*New performance measures added for FY21-22.

| ACTIVITY AND WORKLOAD DATA   | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|--|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Signs repaired**   |    | 431             | 279             | 600             | 455               | 600             |
| Potholes repaired  |    | 215             | 215             | 150             | 175               | 150             |
| City trees pruned  |    | 1,714           | 1,714           | 2,500           | 2,500             | 2,500           |
| Number of fleet work orders received for service **                                      |    | 1,372           | 1,486           | 1,200           | 1,232             | 1,200           |
| Water distribution pipelines cleaned (linear feet) *                                     |    | N/A             | N/A             | N/A             | N/A               | 208,000         |
| Sanitary sewer pipelines cleaned (linear feet)   |    | 528,051         | 528,051         | 360,000         | 360,000           | 360,000         |
| Number of calls received by DPW Customer Service   |    | 12,500          | 12,500          | 12,500          | 10,000            | 10,000          |
| Number of large item pick-ups completed *  |    | N/A             | N/A             | N/A             | N/A               | 2,735           |
| Number of solid waste customer service calls *   |  | N/A             | N/A             | N/A             | N/A               | 15,900          |
| Number of participants who submitted rebates and attended water conservation workshops * |  | N/A             | N/A             | N/A             | N/A               | 610             |

\*New performance measures added for FY21-22.

\*\* New performance measure added to budget book but has been tracked historically in Public Works.

# Budget Summary

| DOLLARS BY FUNCTION              | 2018-19<br>Actual   | 2019-20<br>Actual   | 2020-21<br>Adopted  | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| Compliance                       | \$0                 | \$455,473           | \$773,569           | \$778,664           | \$5,095              | 0.7%                |
| Facilities Maintenance           | 2,961,999           | 2,827,880           | 2,805,607           | 2,625,111           | (180,496)            | (6.4)%              |
| Fleet Maintenance                | 1,663,904           | 1,759,771           | 1,819,532           | 1,858,936           | 39,404               | 2.2%                |
| Park Maintenance                 | 1,286,430           | 1,460,124           | 1,652,838           | 1,789,492           | 136,654              | 8.3%                |
| Public Works Administration      | 2,111,347           | 2,462,239           | 2,509,936           | 2,637,517           | 127,581              | 5.1%                |
| Solid Waste                      | 0                   | 143,745             | 951,697             | 895,969             | (55,728)             | (5.9)%              |
| Street Maintenance               | 1,685,925           | 1,660,372           | 2,056,685           | 2,062,846           | 6,161                | 0.3%                |
| Trees & Landscape<br>Maintenance | 1,506,706           | 1,751,260           | 1,993,616           | 2,176,008           | 182,392              | 9.1%                |
| Utility Engineering              | 1,384,124           | 1,286,140           | 1,383,773           | 1,310,693           | (73,080)             | (5.3)%              |
| Utility Maintenance              | 3,837,454           | 5,024,844           | 5,207,263           | 4,266,369           | (940,894)            | (18.1)%             |
| <b>TOTAL</b>                     | <b>\$16,437,889</b> | <b>\$18,831,848</b> | <b>\$21,154,516</b> | <b>\$20,401,604</b> | <b>(\$752,912)</b>   | <b>(3.6)%</b>       |

| DOLLARS BY CATEGORY          | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>    |                   |                   |                    |                     |                      |                     |
| 4111 Permanent Salaries      | \$5,258,392       | \$6,164,918       | \$7,587,132        | \$7,853,825         | \$266,693            | 3.5%                |
| 4112 Temporary Salaries      | 233,149           | 261,651           | 371,600            | 277,554             | (94,046)             | (25.3)%             |
| 4113 Overtime                | 265,618           | 259,622           | 282,450            | 288,950             | 6,500                | 2.3%                |
| 4119 Adjustments-Payroll     | 0                 | 0                 | 0                  | 0                   | 0                    | 0.0%                |
| 4121 Allowances              | 113,231           | 124,728           | 33,746             | 30,284              | (3,462)              | (10.3)%             |
| 4122 Standby Pay MEA         | 0                 | 0                 | 123,682            | 123,682             | 0                    | 0.0%                |
| 4124 Leave Cashout           | 216,591           | 208,850           | 0                  | 0                   | 0                    | 0.0%                |
| 4125 Accrued Leave           | 66,969            | (6,266)           | 0                  | 0                   | 0                    | 0.0%                |
| 4126 Stipend MEA             | 0                 | 995               | 0                  | 0                   | 0                    | 0.0%                |
| 4131 PERS                    | 1,992,287         | 2,420,301         | 2,440,907          | 2,644,682           | 203,775              | 8.3%                |
| 4132 Group Insurance         | 1,153,051         | 1,190,711         | 1,587,350          | 1,553,759           | (33,591)             | (2.1)%              |
| 4133 Medicare                | 87,481            | 101,090           | 115,009            | 118,544             | 3,535                | 3.1%                |
| 4135 Worker's Compensation   | 94,025            | 37,610            | 63,113             | 65,331              | 2,218                | 3.5%                |
| 4138 Deferred Comp-Employer  | 12,073            | 14,945            | 18,001             | 17,222              | (779)                | (4.3)%              |
| 4139 PARS                    | 2,565             | 3,838             | 4,674              | 4,674               | 0                    | 0.0%                |
| 4146 Short Term Disability   | 0                 | 0                 | 6,130              | 6,219               | 89                   | 1.5%                |
| 4161 Retiree Medical Reserve | 306,272           | 347,224           | 483,611            | 93,189              | (390,422)            | (80.7)%             |
| <b>sub-total</b>             | <b>9,801,704</b>  | <b>11,130,217</b> | <b>13,117,405</b>  | <b>13,077,915</b>   | <b>(39,490)</b>      | <b>(0.3)%</b>       |

| DOLLARS BY CATEGORY                      |                                     | 2018-19<br>Actual   | 2019-20<br>Actual   | 2020-21<br>Adopted  | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|--|-------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b> |                                     |                     |                     |                     |                     |                      |                     |
| 4200                                     | Community Promotion, Grant/<br>Loan | 0                   | 8,806               | 236,500             | 236,500             | 0                    | 0.0%                |
| 4210                                     | Department Allocations              | 707,507             | 936,272             | 990,101             | 962,543             | (27,558)             | (2.8)%              |
| 4220                                     | Supplies                            | 1,197,864           | 1,219,674           | 1,233,446           | 1,288,294           | 54,848               | 4.4%                |
| 4230                                     | Services                            | 3,664,556           | 3,969,752           | 4,117,869           | 4,053,289           | (64,580)             | (1.6)%              |
| 4240                                     | Repair & Maintenance                | 591,512             | 534,346             | 271,100             | 261,100             | (10,000)             | (3.7)%              |
| 4410                                     | Communications                      | 6,926               | 7,769               | 33,120              | 21,120              | (12,000)             | (36.2)%             |
| 4420                                     | Utilities                           | 151,318             | 168,410             | 188,510             | 239,527             | 51,017               | 27.1%               |
| 4500                                     | Training, Travel, &<br>Memberships  | 96,638              | 87,570              | 226,465             | 221,315             | (5,150)              | (2.3)%              |
| <b>sub-total</b>                         |                                     | <b>6,416,321</b>    | <b>6,932,599</b>    | <b>7,297,111</b>    | <b>7,283,688</b>    | <b>(13,423)</b>      | <b>(0.2)%</b>       |
| <b>CAPITAL OUTLAY</b>                    |                                     |                     |                     |                     |                     |                      |                     |
| 4850                                     | Vehicles                            | 221,217             | 574,816             | 0                   | 0                   | 0                    | 0.0%                |
| 4870                                     | Machinery and Equipment             | 0                   | 32,743              | 700,000             | 0                   | (700,000)            | (100.0)%            |
| 4920                                     | Machinery, Tools & Equipment        | 0                   | 0                   | 0                   | 0                   | 0                    | 0.0%                |
| 4930                                     | Hydrants and Meters                 | (1,353)             | 161,473             | 40,000              | 40,000              | 0                    | 0.0%                |
| <b>sub-total</b>                         |                                     | <b>219,864</b>      | <b>769,032</b>      | <b>740,000</b>      | <b>40,000</b>       | <b>(700,000)</b>     | <b>(94.6)%</b>      |
| <b>TOTAL</b>                             |                                     | <b>\$16,437,889</b> | <b>\$18,831,848</b> | <b>\$21,154,516</b> | <b>\$20,401,604</b> | <b>(\$752,912)</b>   | <b>(3.6)%</b>       |

## Staffing

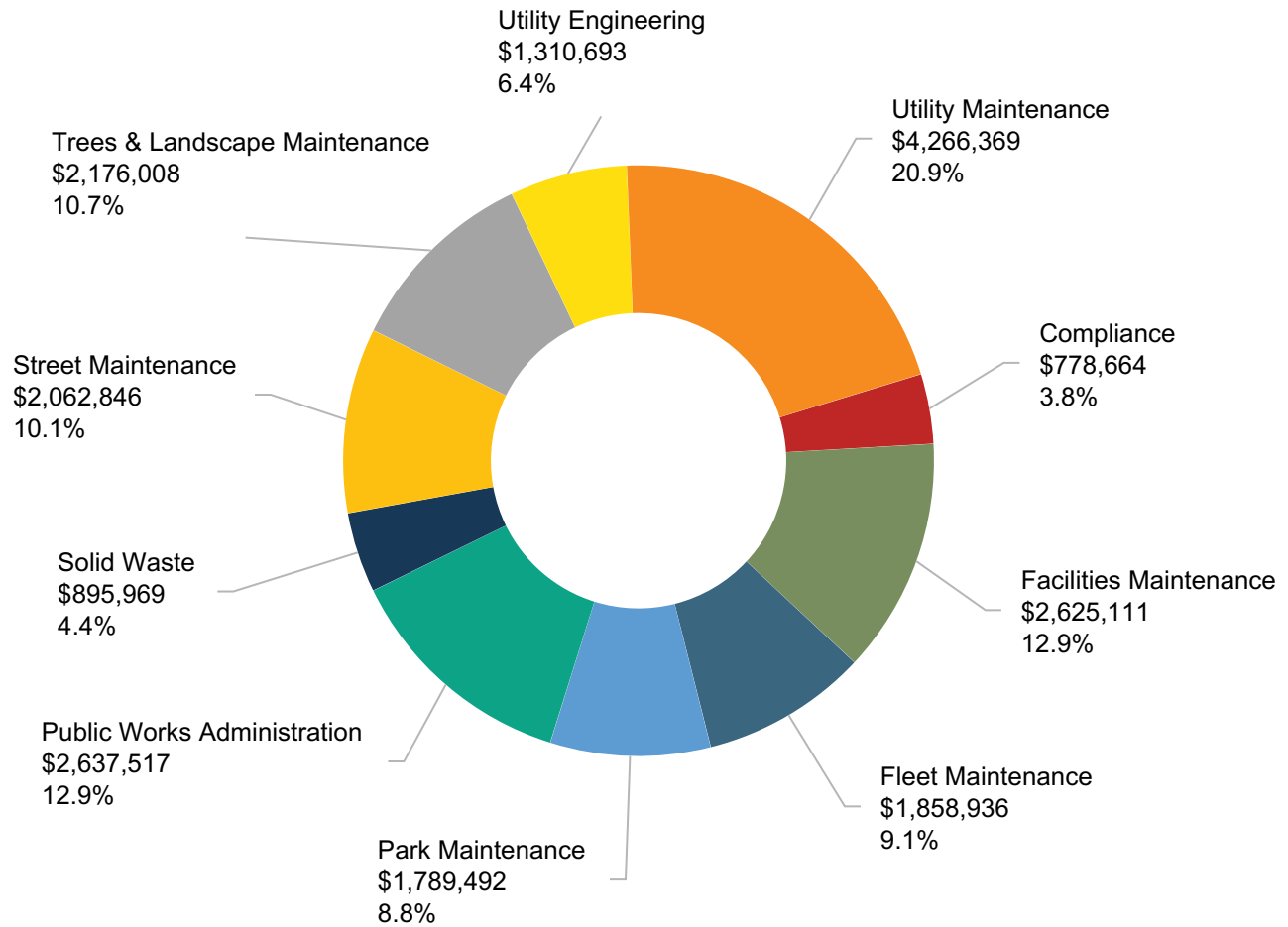
| POSITIONS BY FUNCTION            | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Compliance                       | 0.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Facilities Maintenance           | 9.00               | 10.00              | 12.00              | 11.00              | (1.00)            |
| Fleet Maintenance                | 5.00               | 5.00               | 5.00               | 5.00               | 0.00              |
| Park Maintenance                 | 0.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Public Works Administration      | 10.00              | 10.00              | 10.00              | 10.00              | 0.00              |
| Solid Waste                      | 0.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Street Maintenance               | 10.00              | 10.00              | 10.00              | 11.00              | 1.00              |
| Trees & Landscape<br>Maintenance | 7.00               | 8.00               | 8.00               | 8.00               | 0.00              |
| Utility Engineering              | 7.00               | 5.00               | 5.00               | 5.00               | 0.00              |
| Utility Maintenance              | 20.00              | 20.00              | 20.00              | 19.00              | (1.00)            |
| <b>TOTAL</b>                     | <b>68.00</b>       | <b>73.00</b>       | <b>75.00</b>       | <b>74.00</b>       | <b>(1.00)</b>     |

## Budget Narrative and Summary

| POSITIONS                         | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Administrative Analyst I          | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Administrative Analyst II         | 1.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Assistant Civil Engineer          | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Assistant Water Operator          | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Associate Civil Engineer          | 2.00               | 2.00               | 2.00               | 2.00               | 0.00              |
| Deputy Public Works Director      | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Engineering Aide                  | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Envir & Regulatory Comply<br>Spec | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Environmental Inspector           | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Equipment Maint Worker II*        | 3.00               | 4.00               | 4.00               | 3.00               | (1.00)            |
| Equipment Maint Worker III*       | 4.00               | 5.00               | 5.00               | 4.00               | (1.00)            |
| Fleet Maintenance Worker II       | 3.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Fleet Maintenance Worker III      | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Maintenance Custodian II          | 3.00               | 3.00               | 4.00               | 4.00               | 0.00              |
| Maintenance Custodian III         | 1.00               | 1.00               | 2.00               | 2.00               | 0.00              |
| Maintenance Worker I              | 3.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Maintenance Worker II             | 17.00              | 16.00              | 16.00              | 16.00              | 0.00              |
| Maintenance Worker III            | 8.00               | 9.00               | 9.00               | 10.00              | 1.00              |
| Office Assistant II               | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Office Specialist                 | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Principal Civil Engineer          | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Public Works Director             | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Public Works Manager              | 3.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Senior Administrative Analyst     | 2.00               | 3.00               | 3.00               | 3.00               | 0.00              |
| Senior Public Works Lead          | 6.00               | 6.00               | 6.00               | 6.00               | 0.00              |
| Water System Operator             | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| <b>Total Positions</b>            | <b>68.00</b>       | <b>73.00</b>       | <b>75.00</b>       | <b>74.00</b>       | <b>(1.00)</b>     |

\*1.0 Equipment Maintenance Worker II and 1.0 Equipment Maintenance Worker III are defunded.

## Expenditures by Function



## Budget Reconciliation




|   | Positions    | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|--------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>                      | <b>75.00</b> | <b>\$9,155,209</b>        | <b>\$11,999,307</b>     | <b>\$21,154,516</b>   |
| <b>One-Time Prior Year Budget Adjustments</b> |              |                           |                         |                       |
| 4th of July, 2020 Savings - Public Works      |              | 27,500                    |                         | 27,500                |
| Portable Generators for Water Pump Stations   |              |                           | (500,000)               | (500,000)             |
| Portable Generators for Sewer Pump Stations   |              |                           | (200,000)               | (200,000)             |
| <b>One-Time Prior Year Budget Adjustments</b> | <b>0.00</b>  | <b>27,500</b>             | <b>(700,000)</b>        | <b>(672,500)</b>      |











| Adjustments to Costs of Ongoing Activities   |               |                    |                     |                     |
|--|---------------|--------------------|---------------------|---------------------|
| Salary and Benefits  |               | 93,077             | 57,683              | 150,760             |
| Contractual Services (Environmental System -\$58,700, Odyssey -\$20,687, Urban Water Management -\$30,000, SmartCovers \$20,768)         |               | (100,000)          | (89,040)            | (189,040)           |
| Non-Personnel Expenditure Alignment to Historical Trend  |               | 22,000             | (27,802)            | (5,802)             |
| LLMD 95-1 and 98-1 Expenditure Alignment   |               |                    | 104,869             | 104,869             |
| Equipment Replacement Amortization   |               | (9,117)            | (18,441)            | (27,558)            |
| Skate Park Maintenance (Council Approval 10/06/2020)   |               |                    | 52,900              | 52,900              |
| Trees and Landscape Seasonal Maintenance Worker Reduction (Temporary Salary equivalent to 1 Seasonal Worker; Council Approval 2/16/2021) |               | (34,046)           |                     | (34,046)            |
| Storm Maintenance Staffing Reduction (1.0 Equipment Maintenance Worker III; Council Approval 2/16/2021)                                  | (1.00)        | (161,930)          | (17,992)            | (179,922)           |
| Facility Maintenance Staffing Reduction (1.0 Equipment Maintenance Worker I/II; Council Approval 2/16/2021)                              | (1.00)        | (153,213)          |                     | (153,213)           |
| <b>Adjustments to Costs of Ongoing Activities</b>  | <b>(2.00)</b> | <b>(343,229)</b>   | <b>62,177</b>       | <b>(281,052)</b>    |
| <b>Total FY2021-22 Base Budget</b>   | <b>73.00</b>  | <b>8,839,480</b>   | <b>11,361,484</b>   | <b>20,200,964</b>   |
| Service Level Changes  |               |                    |                     |                     |
| USA Locate Staffing (1.0 Maintenance Worker III)   | 1.00          | 33,017             | 117,063             | 150,080             |
| Wet Well Cleaning Deferral (One-Time)  |               | (62,440)           |                     | (62,440)            |
| 4th of July Savings - Public Works (One-Time)  |               | (21,000)           |                     | (21,000)            |
| Water Quality De-chlorination Trailer Rental (One-Time)  |               |                    | 54,000              | 54,000              |
| Tree Maintenance Enhancement   |               |                    | 80,000              | 80,000              |
| <b>Total Service Level Changes</b>   | <b>1.00</b>   | <b>(50,423)</b>    | <b>251,063</b>      | <b>200,640</b>      |
| <b>Total FY 2021-22 Budget</b>   | <b>74.00</b>  | <b>\$8,789,057</b> | <b>\$11,612,547</b> | <b>\$20,401,604</b> |




\*2.0 Equipment Maintenance Workers are defunded.




## Service Level Changes

|  |   | Positions   | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|--|---|---|---------------------------|-------------------------|-----------------------|
| 1.   | <b>Water Quality De-chlorination Trailer Rental</b>   | 0.00  | \$0                       | \$54,000                | \$54,000              |
|   | <p>This action would provide one-time funding for the rental of a water quality dechlorination trailer for 12 months to allow staff adequate time to evaluate the performance of the unit before purchasing. Public Works staff is currently performing the water quality dechlorination work manually. The mobile dechlorination trailer system is mostly automated, and will replace the need for manual treatment that occurs now, saving staff hours and manual pumping costs associated with the manual treatment while also providing higher, more consistent water quality, and allowing us to keep a higher volume in storage, improving our emergency response capacity and readiness. Currently, the Water Systems Operator spends a minimum of 30 hours a year to perform the same work.</p> |   |                           |                         |                       |
| <b>Performance Results:</b>  |   |   |                           |                         |                       |
| <p>Utilizing the mobile de-chlorination trailer will achieve efficiency savings by allowing the Water Systems Operator to focus more on regular maintenance work. In addition, this will result in the savings of electrical pumping costs, potentially as much as 85% less than what is being paid now.</p> |   |   |                           |                         |                       |
| <b>Impact if funding is not approved</b>   |   |   |                           |                         |                       |
| <p>Not applicable.</p>   |   |   |                           |                         |                       |

| 2.  | Tree Maintenance Enhancement  | 0.00   | \$0 | \$80,000 | \$80,000 |
|---|---|--|-----|----------|----------|
|  | <p>This action increases contractual services to increase the pruning cycle for City maintained street trees from 5-year to 4-year cycle. The City maintains a portfolio of 17,357 trees valued at \$50,454,717. This valuation does not include the environmental economic benefits. The current maintenance strategy leverages the contracting of tree grid pruning maintenance of these assets while supplementing the balance of tree maintenance with internal staff resources. The contractor currently performs tree grid pruning maintenance once every five-years. In 2019, the City assessed the condition of its trees with 93.3% of trees to be in fair or better condition and 69.5% of trees in good or better condition. In order to improve the condition of the City's trees, the minimum pruning cycle needs to be increased. Non-recurring tree maintenance presents an increased risk to personal safety, property damage, and an increase in overall tree degradation.</p> |  |     |          |          |
| <b>Performance Results:</b>   |   |     |     |          |          |
| Not applicable.   |   |  |     |          |          |
| <b>Impact if funding is not approved</b>  |   |  |     |          |          |
|   |   | <p>Claims against the City for tree related issues have increased approximately 50% over each of the past two years (\$33,471.59 in FY19, \$65,414.39 in FY20). With the increased pruning cycle, this trend is expected to be stabilized. Accelerating the pruning cycle Citywide from once every five years to every four years, will reduce risk and contribute to the overall health conditions of these assets.</p> |     |          |          |

|   |   | Positions   | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---|---|---------------------------|-------------------------|-----------------------|
| 3.  | Wet Well Cleaning Reduction Deferral  | 0.00  | (\$62,440)                | \$0                     | (\$62,440)            |
|    | <p>This action will eliminate wet well cleaning services for FY 21-22. The City Council approved a 5 year contract with Peninsula Pump on June 18, 2019.</p> <p>The City operates and maintains 7 wet wells on its stormwater system. These wet wells are used as holding tubs for gravity-flow stormwater systems. As stormwater enters the wet well, the increased water levels trigger the storm pumps to engage and pump the stormwater out of the wet well and into nearby creeks and waterways. Solid material will often accumulate in the bottom of the wet well, which impacts the performance of the stormwater system.</p> |   |                           |                         |                       |
| Performance Impact  |   |    |                           |                         |                       |
| <p>Prior to FY19-20, the City did not have an on-going wet well cleaning preventive maintenance program. Emergency wet well cleaning was performed on an as-needed basis and averaged around \$9,500 per cleaning. Eliminating year 3 of well well cleaning service will not have a catastrophic impact on the system. However, the stormwater system may experience costly emergency cleaning and a decrease in reliability supporting critical City facilities if FY 21-22 has a heavy rainy season, resulting in rising water levels in the wet wells.</p> |   |   |                           |                         |                       |
| Mitigation  |   |   |                           |                         |                       |
| <p>Eliminating wet well cleaning services in FY 21-22 will generate \$62,400 in General Fund savings. If this service reduction is approved, an amendment will need to be executed between City and contractor.</p>   |   |   |                           |                         |                       |

|  |   |   |          |           |           |
|--|---|---|----------|-----------|-----------|
| 4.   | USA Locate Staffing   | 1.00  | \$33,018 | \$117,062 | \$150,080 |
|   | <p>This action re-establishes the USA Locate program in the Public Works Department through the re-allocation of 1.0 FTE Equipment Maintenance Worker II/III from Street Lighting and Traffic Signal Maintenance and adding (1) Maintenance Worker III position offset with cost reductions for USA Locate contractual services of \$100,000 (\$201,000 ongoing) in the Engineering Department. Staff expects to re-establish the program in the Public Works Department no later than 11/1/2021.</p> |   |          |           |           |
| Performance Results:   |   |   |          |           |           |
| <p>No performance impacts are anticipated because the service level will remain the same.</p>  |   |   |          |           |           |
| Impact if funding is not approved  |   |   |          |           |           |
| <p>No mitigation measures identified for USA locates because service level is not reduced. In addition, service level impacts to streetlighting and traffic signal maintenance is expected to be minimal as the City is engaged in a program to replace streetlights with LED, which would lower/ reduce ongoing maintenance needs for these assets.</p> |   |   |          |           |           |

|   | Positions   | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---|---------------------------|-------------------------|-----------------------|
| 5. 4th of July Savings - Public Works   | 0.00  | (\$21,000)                | \$0                     | (\$21,000)            |
|    | The City of Milpitas annually celebrates the Fourth of July at a signature special event attracting as many as 12,000+ residents and Bay Area visitors to the Milpitas Sports Center complex. Attendees enjoy a pool party, evening concert and a professional Fireworks show. However, due to the current COVID-19 pandemic, Santa Clara County Public Health restrictions prohibit large gatherings that preclude the traditional festivities. This action reduces \$21,000 in total costs as part of a total one-time reduction across three departments in the amount of \$106,089. |                           |                         |                       |
| Performance Impact  |     |                           |                         |                       |
| Consistent with CMO's recommendation and Council's approval, the 4th of July event for CY2021 has been canceled. Eliminating the 4th of July event will create a \$21,000 savings in the General Fund under the Parks Maintenance budget (\$4250 for rentals and \$16750 for staff OT). |   |                           |                         |                       |
| Mitigation  |   |                           |                         |                       |
| Recommend a one-time elimination of Public Works costs associated with the annual 4th of July event   |   |                           |                         |                       |
| Total Service Level Changes   | 1.00  | (\$50,422)                | \$251,062               | \$200,640             |



# Recreation and Community Services

**Recreation and Community Services Director: Renee Lorentzen**

## Mission Statement

The City of Milpitas Recreation and Community Services Department's mission is to enrich our community through exceptional programs and services. Our vision is a Milpitas where all residents have access to excellent, affordable, innovative and well-run recreation activities, programs, facilities and community services. Our work encourages cultural unity and hometown pride, creates a sense of place, supports economic development, promotes health and wellness, fosters human development, addresses important social service needs and adds fun to the lives of those who live and work in Milpitas.

## Description

The department provides recreational opportunities and experiences, community and social services, and park and facility rentals for all residents and visitors of Milpitas. The department is committed to providing the highest standard of excellence in public service through our programs, events, and interactions with the community. The department strives to create a sense of community, support economic development, promote health and wellness, increase cultural awareness and facilitate solutions to community needs. The department monitors daily operation at three full-service Recreation Centers and three satellite centers. It also oversees and offers financial assistance program providing discounts on fee-based City Services for low income residents.





### Services

- Oversees Community Center daily operations and provides recreation programming, including indoor/outdoor recreation facility rentals, in-person and virtual contract classes, registration services, sponsorship and donor relationships, marketing and promotions, publishes 3+ Recreation Activity Guides, and staffs six City Commissions. Provides a volunteer program for individuals to help serve their community.
- Oversees Senior Center daily operations and provides senior programs, including a daily congregate lunch program in partnership with Santa Clara County, drop-in programs, recreation classes, important resource and services presentations and special events.
- Oversees Sports Center daily operations and wellness programs, including Fitness Center and outdoor Pools, classes, personal training, drop-in gym, lap swimming, adult and youth sports programs, swim lessons, indoor and outdoor sports facility and field usage and coordination with local sports organizations.



- Oversees Community Services operations, including social service needs assessments and referrals for seniors, low-income, disabled, mentally ill and other residents in need of any non-housing related services. Administers the Milpitas Assistance Program (MAP), which provides fee discounts recreation programs, utility

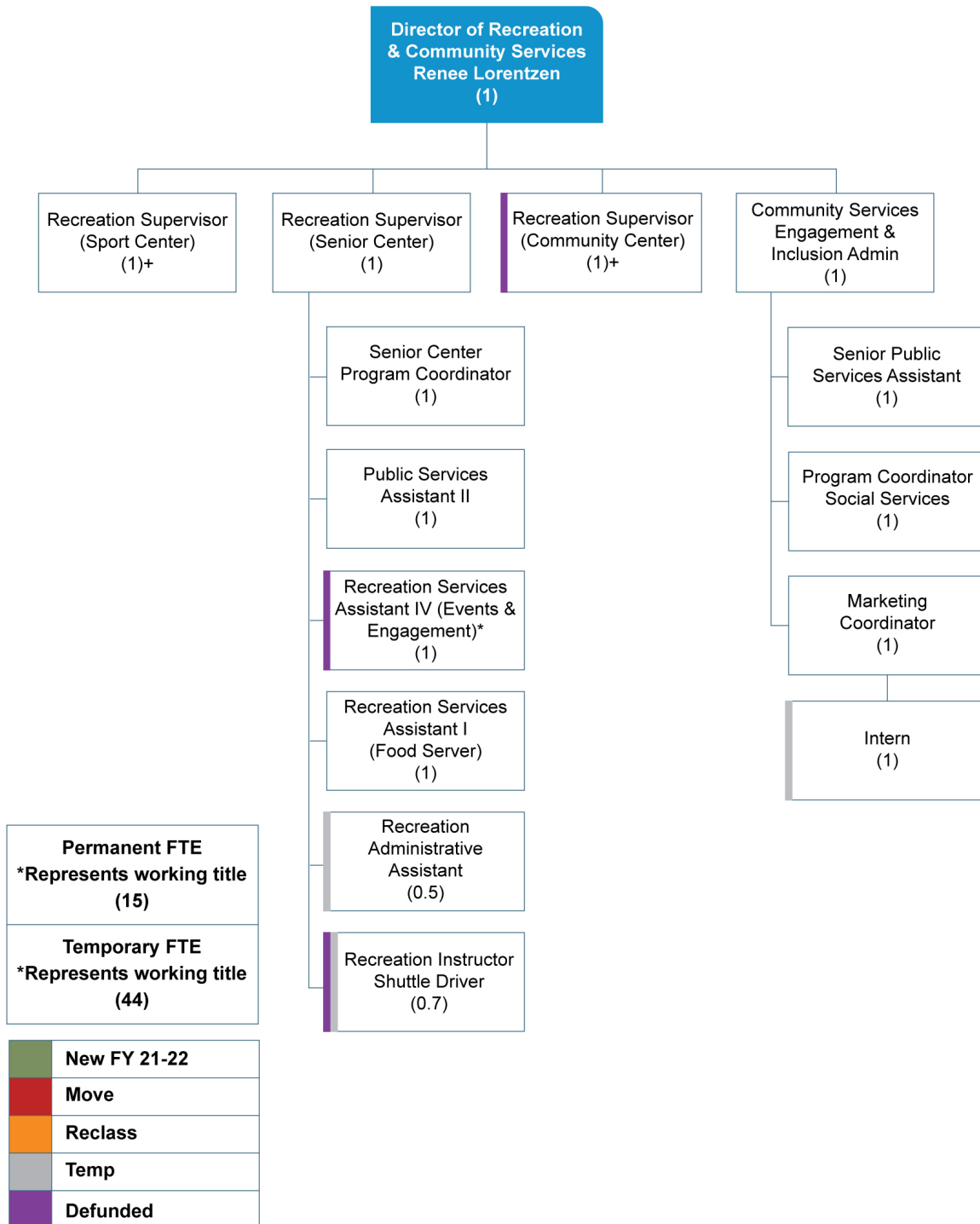
services and certain residential building permit fees. Manages community service partnerships with other agencies, including pandemic-related efforts and care and shelter during local emergencies.

- Provides youth programs and care, including a daily afternoon Teen Center; after school programming at seven elementary schools and both Milpitas middle schools; daily pre-K enrichment program; summer and school break camps; and a youth work-study program. Manages partnerships and Joint Use Agreements with Milpitas Unified School District.
- Offers Special Events, summer concerts, outdoor movies, cultural flag raising ceremonies, seasonal family events, ground breakings and park openings.
- Offers Cultural Arts programs, including Milpitas Community Theatre, Milpitas Community Concert Band, Phantom Art Gallery, and the Milpitas Art and Cultural Grant Program.
- Manages the City's Public Art Collection and developer compliance with the Public Art ordinance.

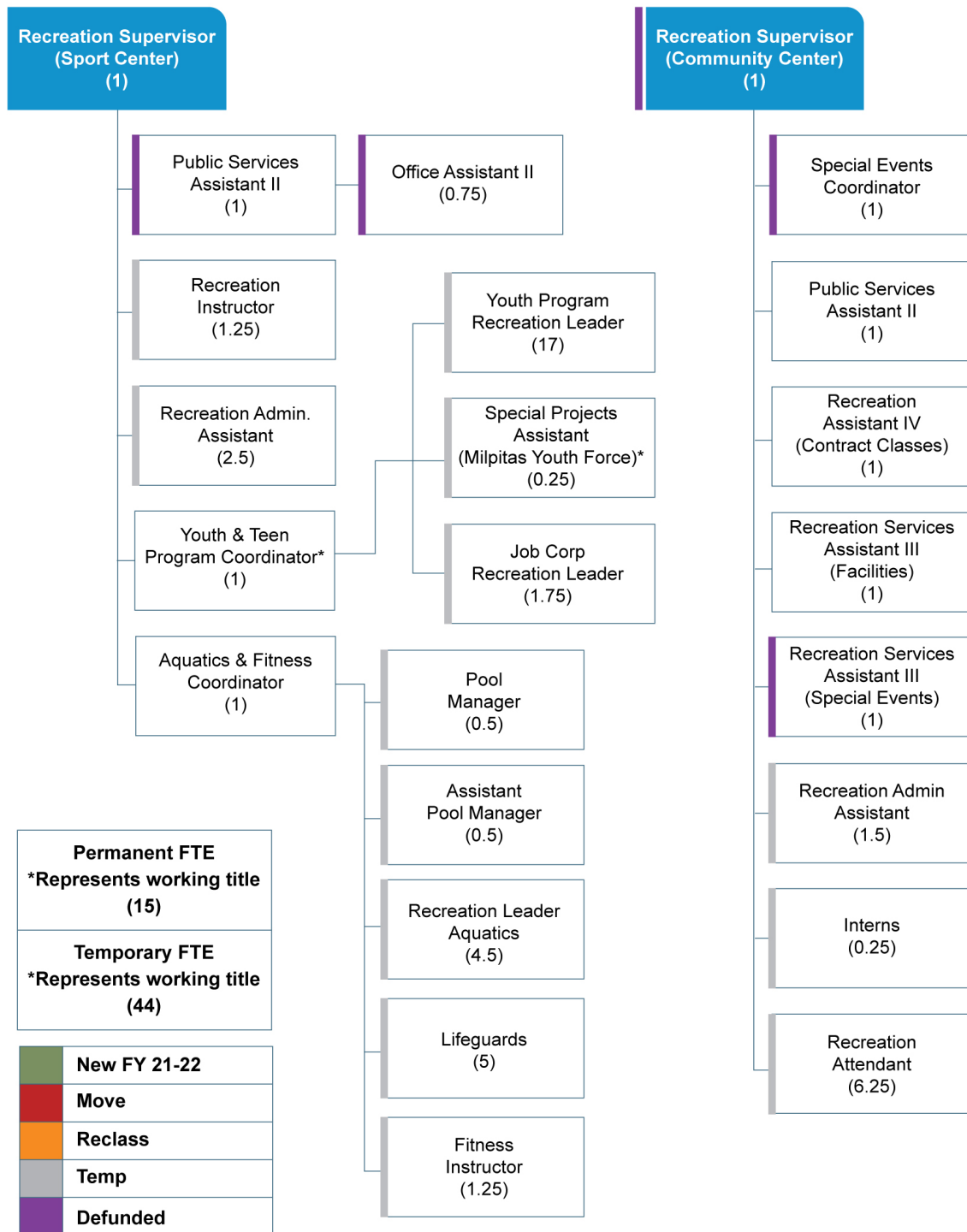











# Recreation and Community Services Department






# Recreation and Community Services Department








|    |  | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|----|--|---|---|--|---|---|---|---|
|    | Accomplishments  |  |  |  |  |  |  |  |
| 1. | Completed/evaluated the first full year of the Milpitas Assistance Program   | ✓   |   |  | ✓   | ✓   |   |   |
| 2. | Hosted virtual Teen Pre-Register to Vote activities  | ✓   |   |  |   | ✓   |   |   |
| 3. | Created Virtual Community Center and transitioned Rec programs/events to virtual, drive-thru or socially distanced format in response to COVID-19      | ✓   |   |  |   |   | ✓   |   |
| 4. | Implemented Distance Learning Support Program in partnership with Milpitas Unified School District   | ✓   |   |  | ✓   |   |   |   |
| 5. | Hired full-time Social Services Coordinator and expanded social services needs assessment and referrals to entire community                            | ✓   |   |  | ✓   | ✓   |   |   |
| 6. | Transitioned Senior Nutrition Program to to-go format in response to COVID-19 and expanded service to 185+ daily with delivery to large senior complex | ✓   |   |  |   |   |   |   |
| 7. | Launched Technology for Seniors laptop loaner program to connect isolated seniors, partnered to increase efforts to close Digital Divide               | ✓   |   |  |   | ✓   |   |   |

|    |  | Community<br>Wellness and<br>Open Space   | Economic<br>Development<br>and Job Growth   | Environment  | Governance &<br>Administration  | Neighborhoods<br>and Housing  | Public Safety   | Transportation<br>and Transit   |
|----|--|---|---|--|---|---|---|---|
|    | Initiatives  |  |  |  |  |  |  |  |
| 1. | Complete Park and Recreation Master Plan   | ✓   |   | ✓  |   | ✓   |   |   |
| 2. | Expand and promote outdoor wellness classes/programs and increased park use                              | ✓   |   | ✓  |   | ✓   |   |   |
| 3. | Establish intern partnerships with local universities, especially in social services, senior programming | ✓   | ✓   |  |   |   |   |   |
| 4. | Work with newly approved 501c3 to launch nonprofit Friends fundraising group                             | ✓   |   |  | ✓   |   |   |   |
| 5. | Conduct focus groups to improve outreach communication to cultural segments with the community           | ✓   |   |  | ✓   | ✓   |   |   |

## Performance and Workload Measures

| PERFORMANCE MEASURES   | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|--|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Customer Service satisfaction surveys rating Good or Excellent |  | 90              | 93              | 95%             | 99%               | 95%             |
| Resident Transactions‡   |  | 9,765           | 4,688           | N/A             | 5,326             | 6,656           |
| Number of Park Acres per 1,000 Residents **                    |  | 1.94            | 1.95            | 1.95            | 1.95              | 1.95            |

| ACTIVITY AND WORKLOAD DATA                | Strategic Goals   | FY 18-19 Actual | FY 19-20 Actual | FY 20-21 Target | FY 20-21 Estimate | FY 21-22 Target |
|---|---|-----------------|-----------------|-----------------|-------------------|-----------------|
| Recreation Program and Class Fees Revenue |    | \$2,413,833     | \$1,093,964     | \$2,700,000     | \$32,973          | \$1,206,916     |
| Number of Social Media Engagements ***    |    | 1,785           | 9,863           | 6,000           | 10,000            | 8,000           |
| Facility and Park Rental Revenue          |   | \$183,380       | \$72,811        | \$220,000       | \$9,000           | \$91,690        |
| Number of Community Events Offered****    |  | 35              | 37              | 40              | 8                 | 16              |
| Number of Social Services Calls           |  | N/A             | N/A             | N/A             | 1,200             | 1,560           |

\*No increase in number of residents served in FY 2019-20 due to closure in March eliminating almost all spring and summer related services.

‡Proposed new measure to replace percentage increase of residents served. Actual count of resident transactions is more accurate, and provides a better, easier-to-calculate performance measure. An increase in transactions reflects both the relevance of services being offered and customer satisfaction as this may include repeat customers. This combines resident Senior Center and Sports center memberships, resident rentals, and resident enrollments in classes and ticketed events. All data can easily be exported from the Recreation registration system.

\*\*3 acres per 1,000 residents - Quimby Act Standards (above acreage does not include Ed Levin Park County Park)

\*\*\*Social media analytic tools for Recreation channels, plus manual counts for Recreation posts on Citywide channels. Beginning with FY 2018-19 Actual, Recreation and Community Services is counting only its own department post engagements. Prior to hire of Public Information Officer, Recreation handled all social media for City, so counts were based on social media posts by Recreation on behalf of all City Departments.

\*\*\*\*Due to Public Health Orders, events from March 2020-present have been cancelled, or shifted to virtual or drive-thru format. Due to expected continuing capacity limits through 2021 and budget reductions, number of community events is sharply reduced from pre-pandemic numbers.

## Budget Summary

| DOLLARS BY FUNCTION       | 2018-19<br>Actual  | 2019-20<br>Actual  | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|---------------------------|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|
| Aquatics                  | \$456,825          | \$236,988          | \$394,559          | \$399,081           | \$4,522              | 1.1%                |
| General Classes           | 408,113            | 388,478            | 463,900            | 372,465             | (91,435)             | (19.7)%             |
| Marketing                 | 236,790            | 227,396            | 255,291            | 255,818             | 527                  | 0.2%                |
| Performing Arts           | 54,023             | 48,692             | 84,900             | 79,900              | (5,000)              | (5.9)%              |
| Recreation Administration | 1,503,882          | 1,801,524          | 1,989,833          | 1,767,830           | (222,003)            | (11.2)%             |
| Senior Services           | 830,590            | 750,630            | 766,635            | 623,431             | (143,204)            | (18.7)%             |
| Social Services           | 0                  | 0                  | 175,417            | 168,504             | (6,913)              | (3.9)%              |
| Special Events            | 387,077            | 481,850            | 486,444            | 173,631             | (312,813)            | (64.3)%             |
| Sports & Fitness          | 394,497            | 516,234            | 687,340            | 444,567             | (242,773)            | (35.3)%             |
| Youth Program             | 871,803            | 774,915            | 999,787            | 999,446             | (341)                | 0.0%                |
| <b>TOTAL</b>              | <b>\$5,143,600</b> | <b>\$5,226,707</b> | <b>\$6,304,106</b> | <b>\$5,284,674</b>  | <b>(\$1,019,432)</b> | <b>(16.2)%</b>      |

| DOLLARS BY CATEGORY                 | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|-------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>PERSONNEL SERVICES</b>           |                   |                   |                    |                     |                      |                     |
| <b>4111</b> Permanent Salaries      | \$1,407,452       | \$1,563,494       | \$1,982,660        | \$1,534,660         | (\$448,000)          | (22.6)%             |
| <b>4112</b> Temporary Salaries      | 1,284,004         | 1,228,379         | 1,628,229          | 1,609,512           | (18,717)             | (1.1)%              |
| <b>4113</b> Overtime                | 9,249             | 4,453             | 35,000             | 25,000              | (10,000)             | (28.6)%             |
| <b>4121</b> Allowances              | 0                 | 6,600             | 6,600              | 3,802               | (2,798)              | (42.4)%             |
| <b>4124</b> Leave Cashout           | 40,430            | 69,709            | 0                  | 0                   | 0                    | 0.0%                |
| <b>4131</b> PERS                    | 526,094           | 624,356           | 632,868            | 517,917             | (114,951)            | (18.2)%             |
| <b>4132</b> Group Insurance         | 338,291           | 325,569           | 454,830            | 359,661             | (95,169)             | (20.9)%             |
| <b>4133</b> Medicare                | 39,895            | 41,424            | 54,469             | 46,494              | (7,975)              | (14.6)%             |
| <b>4135</b> Worker's Compensation   | 8,641             | 7,078             | 31,942             | 28,301              | (3,641)              | (11.4)%             |
| <b>4138</b> Deferred Comp-Employer  | 12,909            | 12,353            | 18,675             | 15,327              | (3,348)              | (17.9)%             |
| <b>4139</b> PARS                    | 19,475            | 17,870            | 26,907             | 25,022              | (1,885)              | (7.0)%              |
| <b>4141</b> Adjustments-Payroll     | 0                 | 0                 | 0                  | 0                   | 0                    | 0.0%                |
| <b>4143</b> Charged to CIPs         | 0                 | 0                 | 0                  | (3,000)             | (3,000)              | 0.0%                |
| <b>4146</b> Short Term Disability   | 0                 | 0                 | 1,743              | 1,386               | (357)                | (20.5)%             |
| <b>4161</b> Retiree Medical Reserve | 80,875            | 88,360            | 90,810             | 12,358              | (78,452)             | (86.4)%             |
| <b>sub-total</b>                    | <b>3,767,315</b>  | <b>3,989,645</b>  | <b>4,964,733</b>   | <b>4,176,440</b>    | <b>(788,293)</b>     | <b>(15.9)%</b>      |

| DOLLARS BY CATEGORY                      |   | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Adopted | 2021-22<br>Proposed | FY 2022<br>Change \$ | FY 2022<br>Change % |
|--|---|-------------------|-------------------|--------------------|---------------------|----------------------|---------------------|
| <b>SUPPLIES AND CONTRACTUAL SERVICES</b> |   |                   |                   |                    |                     |                      |                     |
| 4200                                     | Community Promotion, Grant/<br>Loan     | 29,413            | 23,542            | 51,200             | 51,200              | 0                    | 0.0%                |
| 4210                                     | Department Allocations                  | 61,754            | 100,314           | 97,174             | 67,381              | (29,793)             | (30.7)%             |
| 4220                                     | Supplies                                | 431,724           | 283,421           | 500,392            | 437,146             | (63,246)             | (12.6)%             |
| 4230                                     | Services                                | 842,784           | 630,644           | 668,602            | 532,402             | (136,200)            | (20.4)%             |
| 4240                                     | Repair & Maintenance                    | 0                 | 0                 | 1,600              | 1,600               | 0                    | 0.0%                |
| 4500                                     | Training, Travel, &<br>Memberships      | 9,050             | 8,630             | 18,425             | 16,525              | (1,900)              | (10.3)%             |
| 4600                                     | Insurance, Settlements &<br>Contingency | 1,560             | 1,560             | 1,980              | 1,980               | 0                    | 0.0%                |
| sub-total                                |   | 1,376,285         | 1,048,111         | 1,339,373          | 1,108,234           | (231,139)            | (17.3)%             |
| TOTAL                                    |   | \$5,143,600       | \$5,226,707       | \$6,304,106        | \$5,284,674         | (\$1,019,432)        | (16.2)%             |

## Staffing

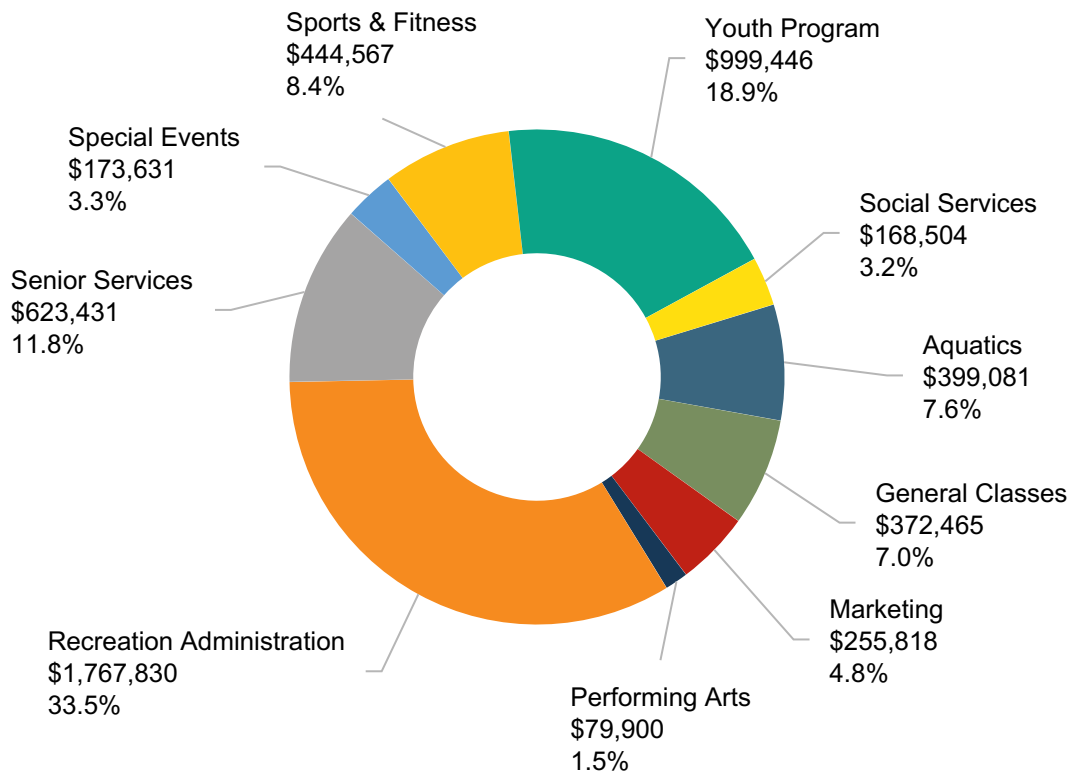
| POSITIONS BY FUNCTION     | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|---------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Adult Sports              | 0.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| General Classes           | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Marketing                 | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Performing Arts           | 0.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Recreation Administration | 7.00               | 8.00               | 8.00               | 7.00               | (1.00)            |
| Senior Services           | 5.00               | 4.00               | 4.00               | 3.00               | (1.00)            |
| Social Services           | 0.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Special Events            | 1.00               | 2.00               | 2.00               | 0.00               | (2.00)            |
| Sports & Fitness          | 2.00               | 2.75               | 2.75               | 1.00               | (1.75)            |
| Youth Program             | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| TOTAL                     | 18.00              | 20.75              | 20.75              | 15.00              | (5.75)            |

\*5.75 FTEs are defunded (Public Service Assistant I/II, Recreation Services Asst IV, Office Assistant II, Program Coordinator, Recreation Services Supervisor and Recreation Services Asst I/II)

| POSITIONS                       | 2018-19<br>Adopted | 2019-20<br>Adopted | 2020-21<br>Adopted | 2021-22<br>Adopted | FY 2022<br>Change |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Case Manager                    | 1.00               | 0.00               | 0.00               | 0.00               | 0.00              |
| Community Svc Eng & Inc Admin   | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Director of Rec & Comm Svcs     | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Marketing Coordinator           | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Office Assistant II*            | 0.00               | 0.75               | 0.75               | 0.00               | (0.75)            |
| Program Coordinator*            | 4.00               | 5.00               | 5.00               | 4.00               | (1.00)            |
| Public Services Assistant I/II* | 2.00               | 3.00               | 3.00               | 2.00               | (1.00)            |
| Recreation Services Asst I/II*  | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| Recreation Services Asst III*   | 1.00               | 2.00               | 2.00               | 1.00               | (1.00)            |
| Recreation Services Asst IV*    | 2.00               | 2.00               | 2.00               | 1.00               | (1.00)            |
| Recreation Services Supervisor* | 3.00               | 3.00               | 3.00               | 2.00               | (1.00)            |
| Sr Public Services Assistant    | 1.00               | 1.00               | 1.00               | 1.00               | 0.00              |
| <b>Total Positions</b>          | <b>18.00</b>       | <b>20.75</b>       | <b>20.75</b>       | <b>15.00</b>       | <b>(5.75)</b>     |

\*5.75 FTEs are defunded (Public Service Assistant I/II, Recreation Services Asst IV, Office Assistant II, Program Coordinator, Recreation Services Supervisor and Recreation Services Asst I/II)

## Expenditures by Function








## Budget Reconciliation



|  | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|--|---------------|---------------------------|-------------------------|-----------------------|
| <b>PRIOR YEAR BUDGET</b>   | <b>20.75</b>  | <b>\$6,304,106</b>        | <b>\$0</b>              | <b>\$6,304,106</b>    |
| <b>One-Time Prior Year Budget Adjustments</b>  |               |                           |                         |                       |
| 4th of July, 2020 Savings - Recreation   |               | 75,150                    | 0                       | 75,150                |
| <b>One-Time Prior Year Budget Adjustments</b>  | <b>0.00</b>   | <b>75,150</b>             | <b>0</b>                | <b>75,150</b>         |
| <b>Adjustments to Costs of Ongoing Activities</b>  |               |                           |                         |                       |
| Salary and Benefits  |               | 54,545                    |                         | 54,545                |
| Recreation Staff Capital Improvement Program Funding Alignment   |               | (3,000)                   |                         | (3,000)               |
| Non-Personnel Expenditure Alignment to Historical Trend  |               | (4,433)                   |                         | (4,433)               |
| Equipment Replacement Amortization   |               | (29,793)                  |                         | (29,793)              |
| Events Program Staffing Defunding (1.0 Recreation Service Assistant III; Council Approval 2/16/2021)     | (1.00)        | (102,611)                 |                         | (102,611)             |
| Senior Program Staffing Defunding (1.0 Recreation Service Assistant IV; Council Approval 2/16/2021)      | (1.00)        | (115,332)                 |                         | (115,332)             |
| Sports Center Staffing Defunding (0.75 Office Assistant; Council Approval 2/16/2021)                     | (0.75)        | (89,920)                  |                         | (89,920)              |
| Community Center Staffing Defunding (1.0 Public Services Assistant; Council Approval 2/16/2021)          | (1.00)        | (124,017)                 |                         | (124,017)             |
| Special Events and Arts Program Staffing Defunding (1.0 Program Coordinator; Council Approval 2/16/2021) | (1.00)        | (149,031)                 |                         | (149,031)             |
| <b>Adjustments to Costs of Ongoing Activities</b>  | <b>(4.75)</b> | <b>(563,592)</b>          | <b>0</b>                | <b>(563,592)</b>      |
| <b>Total FY2021-22 Base Budget</b>   | <b>16.00</b>  | <b>\$5,815,664</b>        | <b>\$0</b>              | <b>\$5,815,664</b>    |
| <b>Service Level Changes</b>   |               |                           |                         |                       |
| Management Oversight Reduction - Recreation and Community Services (1.0 Recreation Supervisor)           | (1.00)        | (205,675)                 |                         | (205,675)             |
| Contract Class Funding Alignment   |               | (97,000)                  |                         | (97,000)              |
| 4th of July Savings - Recreation (One-Time)  |               | (74,000)                  |                         | (74,000)              |



|   | Positions     | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|---------------|---------------------------|-------------------------|-----------------------|
| COVID-19 Pandemic Related Overtime and Non-Personnel Expenditure Reduction (One-Time) |               | (36,900)                  |                         | (36,900)              |
| Community Events Alignment  |               | (36,250)                  |                         | (36,250)              |
| Senior Services Alignment   |               | (32,093)                  |                         | (32,093)              |
| Sports Center Services Alignment  |               | (29,685)                  |                         | (29,685)              |
| Youth Services Alignment  |               | (19,387)                  |                         | (19,387)              |
| <b>Total Service Level Changes</b>  | <b>(1.00)</b> | <b>(530,990)</b>          | <b>0</b>                | <b>(530,990)</b>      |
| <b>Total FY 2021-22 Budget</b>  | <b>15.00</b>  | <b>\$5,284,674</b>        | <b>\$0</b>              | <b>\$5,284,674</b>    |



\*5.75 FTEs are defunded (Public Service Assistant I/II, Recreation Services Asst IV, Office Assistant II, Program Coordinator, Recreation Services Supervisor and Recreation Services Assistant III)




## Service Level Changes



|   | Positions  | General Fund Expenditures | Other Fund Expenditures | All Fund Expenditures |
|---|--|---------------------------|-------------------------|-----------------------|
| 1. Community Events Alignment   | 0.00   | (\$36,250)                | \$0                     | (\$36,250)            |
|    | This action reduces non-personnel expenditures for community events in alignment with gathering restrictions, pre-pandemic attendance at certain events, and events which generate minimal revenue to partially offset cost. Specifically, with this action, Hot August Bites and Octoberfest events will be eliminated, Brunch with the Bunny, Pumpkins in the Park will be scaled back, and cultural flag raising model will be reorganized with the City in a supportive role of local cultural groups taking a leadership role in organizing, to achieve cost savings. |                           |                         |                       |
| Performance Impact  |    |                           |                         |                       |
| With this action, staff will continue to organize community events, cultural flag raisings, and other community events consistent with the health orders and funding available. |  |                           |                         |                       |
| Mitigation  |  |                           |                         |                       |
| Through coordination with local cultural groups taking the lead, staff will be able to maintain the same number of cultural flag raising events.                                |  |                           |                         |                       |



| 2.  | Contract Class Funding Alignment  | 0.00  | (\$97,000) | \$0 | (\$97,000) |
|---|---|---|------------|-----|------------|
|  | This action reduces funding for low attendance contract classes because due to COVID-19 pandemic restrictions limiting gathering sizes and requiring social distancing, some recreation classes cannot be offered in a cost effective manner or at all. Contract instructors are paid according to the number of attendees enrolled. Due to low enrollment, contract instructors expense will be reduced and remain reduced until class demand returns. |   |            |     |            |
|   | Performance Impact  |  |            |     |            |
|   | Staff will continue offer contract classes consistent with pandemic and pre-pandemic demand.  |   |            |     |            |
|   | Mitigation  |   |            |     |            |
|   | Staff will continue to offer virtual programming, wherever practical, such as virtual volleyball, youth soccer, or townhalls on mental health. Further, if demand increases, staff intends to return to City Council to seek an increase in appropriations mostly offset with revenues.   |   |            |     |            |



| 3.   | Sports Center Services Alignment   | 0.00  | \$(29,685) | \$0 | \$(29,685) |
|--|--|---|------------|-----|------------|
|  | This action eliminates funding for low attendance fitness classes such as Feldenkreis, Cardio, and sports referee services for adult sports leagues as well as the supplies budget for fitness equipment.  |   |            |     |            |
|  | Performance Impact   |  |            |     |            |
|  | In the short-term, due to social distancing requirements, the impact will be minimal.  |   |            |     |            |
|  | Mitigation   |   |            |     |            |
|  | Over time, the cancelled low attendance classes may be replaced with more popular classes with sufficient income to warrant instructor expense. In future years if demand for adult sports leagues necessitates, staff would also come back to seek funds for referees. Fitness supplies budget will be permanently reduced, and small fitness items will be utilized until they reach the end of their useful life. |   |            |     |            |

| 4.  | Youth Services Alignment   | 0.00  | \$(19,387) | \$0 | \$(19,387) |
|---|--|---|------------|-----|------------|
|  | This action eliminates funding for the Trip and Travel Camp and the Jr. Warriors Basketball program. The Trip and Travel camp is the most costly camp the City operates primarily due to renting of charter buses and amusement parks admissions and other costs. Further, the program requires more experienced staff to provide supervision and exposes the City to a higher level of risk. The Jr. Warriors Basketball program is the most costly of several basketball enrichment programs the City offers. This staff provided program requires the purchase of Warrior's jerseys annually, which substantially increases costs in contrast to contractor provided basketball programs. |   |            |     |            |
|   | Performance Impact   |  |            |     |            |
|   | Staff resources will be redeployed to youth camps that are designed to take place on City property. Basketball enrichment programs will be offered via contract class services.  |   |            |     |            |
|   | Mitigation   |   |            |     |            |
|   | Staff will offer engaging summer camps in a format that maximizes enrollment as allowed under Public Health Orders, generate more revenue, and expose the City to less risk.   |   |            |     |            |

| 5.  | Senior Services Alignment  | 0.00  | \$(32,093) | \$0 | \$(32,093) |
|---|--|---|------------|-----|------------|
|  | This action reduces funding for Senior Center programs in alignment with demand before and during the Pandemic. These programs include trips, events, transportation, satellite programs at third party facilities and Bingo. Additionally, funding for a part-time Senior Bus Driver position is eliminated. Pre-pandemic, the driver was used primarily for transporting a very small number of seniors to the Senior Center.  |   |            |     |            |
|   | Performance Impact   |   |            |     |            |
|   | In the short-term, due to social distancing requirements, the impact will be minimal.  |   |            |     |            |
|   | Mitigation   |   |            |     |            |
|   | Post-pandemic, if demand warrants, staff will explore contractor-led programs offset by revenue. Seniors who previously participated at satellite programs at third party facilities, will be provided with information to visit the Senior Center utilizing the VTA Access program, as necessary. Staff will encourage seniors to attend Milpitas Charity Bingo events which offers more play opportunities and larger payouts. |   |            |     |            |

|   |  |   |            |     |            |
|---|--|---|------------|-----|------------|
| 6.  | <b>4th of July Savings - Recreation &amp; Community Services</b>   | 0.00  | \$(74,000) | \$0 | \$(74,000) |
|  | <p>The City of Milpitas annually celebrates the Fourth of July at a signature special event attracting as many as 12,000+ residents and Bay Area visitors to the Milpitas Sports Center complex. Attendees enjoy a pool party, evening concert and a professional Fireworks show. However, due to the current COVID-19 pandemic, Santa Clara County Public Health restrictions prohibit large gatherings that preclude the traditional festivities. Therefore, Recreation and Community Services staff intends to hold a virtual community service-oriented event similar to last year's Spirit of Milpitas week. This action reduces \$74,000 in contractual costs as part of a total one-time reduction across three departments in the amount of \$106,089.</p> |   |            |     |            |
| <b>Performance Impact</b>   |  |   |            |     |            |
| Not Applicable  |  |   |            |     |            |
| <b>Mitigation</b>   |  |   |            |     |            |
| Not Applicable  |  |   |            |     |            |

|   |   |   |             |     |             |
|---|---|---|-------------|-----|-------------|
| 7.  | <b>Management Oversight Reduction – Recreation and Community Services</b>   | (1.00)  | \$(205,675) | \$0 | \$(205,675) |
|    | <p>This action defunds the Recreation and Community Services Supervisor at the Milpitas Community Center. Several Service areas under this position such as Special event, facility rentals, and contract classes were reduced as part of the FY 2020-21 Mid-Year actions or are proposed for reduction, therefore significantly reducing the work tasks associated with this position.</p> |   |             |     |             |
| <b>Performance Impact</b>   |   |  |             |     |             |
| Due to the reduction in programs, the impact is expected to be minimal.   |   |   |             |     |             |
| <b>Mitigation</b>   |   |   |             |     |             |
| Oversight of the remaining staff and services under this position will be mostly transferred to the Community Engagement and Inclusion Administrator. Due to the additional vacancy of the Special Events Coordinator, the Supervisor was performing coordinator tasks related to virtual and drive-thru events. Those remaining tasks will be distributed to filled coordinator positions and interns in the department. |   |   |             |     |             |

|  |  |   |             |     |             |
|--|--|---|-------------|-----|-------------|
| 8.   | COVID-19 Pandemic Related Overtime and Non-Personnel Expenditure Reduction   | 0.00  | \$(36,900)  | \$0 | \$(36,900)  |
|   | This action reduces one-time non-personnel expenditures such as temporary staff uniforms, overtime, and funding for events (Commissioners' Recognition Event, LGBTQ event, and Fall Family Game Night) which cannot be held due to the Pandemic. |   |             |     |             |
| Performance Impact   |  |  |             |     |             |
| Due to social distancing requirements, the impact will be minimal.   |  |   |             |     |             |
| Mitigation   |  |   |             |     |             |
| Staff will offer LGBTQ event virtually, in alignment with other cities, City Commissioners can be celebrated and acknowledged through commemorative certificate and signed letter from City Council. |  |   |             |     |             |
| Total Service Level Changes  |  | (1.00)  | (\$530,990) | \$0 | (\$530,990) |





# Non-Departmental

## Description

This category funds a variety of activities that are not specific to any one department. Personnel Services include expenditures not budgeted in the individual departments such as vacation and leave cashouts, benefit administration fees, and self-funded unemployment insurance. Supplies and Contractual Services include centralized copier costs for City Hall, utility payments and citywide tuition reimbursement. Sewer treatment plant maintenance and operation are funded in this category, as are all water purchases for the water fund. This category also funds debt service as well as equipment and vehicle expenditures.

## Expenditure Analysis

### Personnel Services

\$0.7 million will fund vacation and leave cashouts, MOU contractual obligations, retiree medical benefits and unemployment benefits, and also incorporate a 2.5% vacancy factor in the General Fund.

### Debt Services

\$1,012,800 scheduled to pay the Lease Revenue Bonds \$639,800 scheduled to pay the principal and interest due on the 2017 Wastewater Revenue Refunding Bonds for the sewer system and interfund loan. \$1,044,050 is the payment for the principal and interest due on the 2019 Water Bonds, and \$1,796,075 is for the 2019 Wastewater Bond.

### Services and Supplies

\$6,882,265 is for Treatment Plant fees; \$3,718,337 is for gas, electric, and water utilities; \$17,894,577 is for water purchases; \$1,542,465 is for recycled water purchase. A total of \$30,000 is reflected in this function for citywide tuition reimbursement. \$1,618,330 is budget based on preliminary estimate of the City's insurance premium with PLAN JPA for the 2021-22 fiscal year. \$271,000 is also included for costs related to a green vehicle lease program for 43 vehicles in FY 2021-22 that do not currently have replacement funding. All of these vehicles are 10 years and older and are proposed to be replaced with hybrid and electric vehicles. \$444,000 is also included for the Citywide Rate Assistance Program for Building and Planning fees and Water and Sewer Utility bills.

### Equipment Replacement

\$690,947 is for equipment replacement from monies that are available in the Equipment Replacement Fund.



|  | Grand Total         | General Fund <sup>(1)</sup> |
|--|---------------------|-----------------------------|
| <b>Personnel Services</b>                              |                     |                             |
| 4119 Adjustments-Payroll.....                          | \$0                 | \$0                         |
| 4124 Leave Cashout.....                                | \$700,000           | \$650,000                   |
| 4131 PERS.....   | 33,500              | 30,000                      |
| 4132 Group Insurance.....                              | 23,000              | 20,000                      |
| 4136 Unemployment.....                                 | 258,000             | 250,000                     |
| 4137 MOU Contractual Agreements.....                   | 1,158,000           | 1,064,970                   |
| 4141 Adjustments-Payroll.....                          | (1,467,896)         | (1,477,428)                 |
| 4161 Retiree Medical Reserve.....                      | —                   | —                           |
| <b>sub-total</b>                                       | <b>704,604</b>      | <b>537,542</b>              |
| <b>Supplies &amp; Contractual Services</b>             |                     |                             |
| 4209 Rate Assistance Program.....                      | 443,748             | 443,748                     |
| 4212 Vehicle Lease Charges.....                        | 271,000             | 271,000                     |
| 4237 Contractual Services.....                         | 185,008             | 83,900                      |
| 4239 Audit Fees.....                                   | 98,000              | 66,000                      |
| 4241 Repair & Maintenance.....                         | 5,000               | —                           |
| 4242 Rents & Leases.....                               | 376,964             | 339,464                     |
| 4253 Plan JPA Attorney's Fees.....                     | 220,000             | 80,000                      |
| 4254 Plan JPA Settlements.....                         | 171,500             | 76,500                      |
| 4280 Elections.....                                    | —                   | 120,000                     |
| 4421 Utilities-Gas.....                                | 225,000             | 207,000                     |
| 4422 Utilities-Electric.....                           | 2,055,337           | 1,090,802                   |
| 4423 Utilities-Water.....                              | 1,438,000           | 1,274,590                   |
| 4424 SFWD, Wholesale Water Purchase.....               | 11,845,800          | —                           |
| 4425 SCVWD, Wholesale Water Purchase.....              | 6,048,777           | —                           |
| 4426 Utilities - Solid Waste.....                      | 5,000               | —                           |
| 4427 Recycled Water Purchase.....                      | 1,542,465           | —                           |
| 4429 Treatment Plant, M&O.....                         | 6,882,265           | —                           |
| 4509 Tuition Reimbursement.....                        | 30,000              | 24,000                      |
| 4602 Cybersecurity, Liability, Property Insurance..... | 1,848,330           | 1,350,000                   |
| 4610 Uncollectible Accounts.....                       | 150,000             | 50,000                      |
| 4611 Collection Fees.....                              | 22,000              | 7,500                       |
| 4640 Unanticipated Expenditures Reserve.....           | 1,100,000           | 1,100,000                   |
| <b>sub-total</b>                                       | <b>34,964,194</b>   | <b>6,464,504</b>            |
| <b>Debt Service</b>                                    |                     |                             |
| 4701 Retirement of Principal.....                      | 1,555,000           | 275,000                     |
| 4711 Interest Expense.....                             | 2,937,725           | 737,800                     |
| <b>sub-total</b>                                       | <b>4,492,725</b>    | <b>1,012,800</b>            |
| <b>Capital Outlay</b>                                  |                     |                             |
| 4851 Vehicles.....                                     | 560,406             | —                           |
| 4873 Machinery & Equipment.....                        | 130,541             | —                           |
| <b>sub-total</b>                                       | <b>690,947</b>      | <b>—</b>                    |
| <b>TOTAL</b>   | <b>\$40,852,470</b> | <b>\$8,014,846</b>          |

(1) General Fund, Abandon Vehicle Abatement Fund, 1452 S. Main St Fund and administration funds of the former Redevelopment Agency.

(2) Other Funds include Community Benefit Fund, Community Facility District Funds, Community Planning Fee Fund, Gas Tax Fund, Equipment Replacement Fund, Housing and Community Development Fund, Information Technology Replacement Fund, Law Enforcement Grant Funds, Light & Landscape Maintenance District Funds, Measure B Fund, Permit Automation Fund, Public Art Fund, and Solid Waste Services Fund.

| Housing Authority | Other Funds <sup>(2)</sup> | Capital Projects <sup>(3)</sup> | Water Fund <sup>(4)</sup> | Sewer Fund <sup>(5)</sup> |
|-------------------|----------------------------|---------------------------------|---------------------------|---------------------------|
| \$0               | \$0                        | \$0                             | \$25,000                  | \$25,000                  |
| —                 | —                          | —                               | 1,750                     | 1,750                     |
| —                 | —                          | —                               | 1,500                     | 1,500                     |
| —                 | —                          | —                               | 4,000                     | 4,000                     |
| —                 | —                          | —                               | 46,515                    | 46,515                    |
| —                 | 6,956                      | —                               | 1,288                     | 1,288                     |
| —                 | —                          | —                               | —                         | —                         |
| —                 | <b>6,956</b>               | —                               | <b>80,053</b>             | <b>80,053</b>             |
| —                 | —                          | —                               | —                         | —                         |
| —                 | —                          | —                               | —                         | —                         |
| 69,850            | 8,008                      | —                               | 7,350                     | 15,900                    |
| —                 | 7,000                      | —                               | 12,500                    | 12,500                    |
| 5,000             | —                          | —                               | —                         | —                         |
| —                 | 37,500                     | —                               | —                         | —                         |
| —                 | —                          | —                               | 40,000                    | 100,000                   |
| —                 | —                          | —                               | 25,000                    | 70,000                    |
| —                 | —                          | —                               | —                         | —                         |
| —                 | —                          | —                               | 9,000                     | 9,000                     |
| —                 | —                          | —                               | 679,250                   | 285,285                   |
| 6,000             | —                          | —                               | 128,790                   | 28,620                    |
| —                 | —                          | —                               | 11,845,800                | —                         |
| —                 | —                          | —                               | 6,048,777                 | —                         |
| 5,000             | —                          | —                               | —                         | —                         |
| —                 | —                          | —                               | 1,542,465                 | —                         |
| —                 | —                          | —                               | —                         | 6,882,265                 |
| —                 | —                          | —                               | 3,000                     | 3,000                     |
| 1,330             | 133,000                    | —                               | 91,000                    | 273,000                   |
| —                 | —                          | —                               | 50,000                    | 50,000                    |
| —                 | —                          | —                               | 8,500                     | 6,000                     |
| —                 | —                          | —                               | —                         | —                         |
| <b>87,180</b>     | <b>185,508</b>             | —                               | <b>20,491,432</b>         | <b>7,735,570</b>          |
| —                 | —                          | —                               | 300,000                   | 980,000                   |
| —                 | —                          | —                               | 744,050                   | 1,455,875                 |
| —                 | —                          | —                               | <b>1,044,050</b>          | <b>2,435,875</b>          |
| —                 | 560,406                    | —                               | —                         | —                         |
| —                 | 130,541                    | —                               | —                         | —                         |
| —                 | <b>690,947</b>             | —                               | —                         | —                         |
| <b>\$87,180</b>   | <b>\$883,411</b>           | <b>\$0</b>                      | <b>\$21,615,535</b>       | <b>\$10,251,498</b>       |

(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund and Transit Area Impact Fee Fund.

(4) Water Fund includes Water Maintenance & Operations Fund, 2019 Water Bond Fund, Water CIP Fund, Water Line Extension Fund, and Water Infrastructure Replacement Fund.

(5) Sewer Fund includes Sewer Operations Fund, 2019 Sewer Bonds Fund, Sewer Fund CIP, Treatment Plant Construction Fund, 2017 Sewer Refunding Bonds, and Sewer Infrastructure Replacement Fund.



## Capital Improvement Program Overview

On April 6, the City Council held a Public Hearing and adopted the FY 2022-2026 Capital Improvement Program (CIP). A summary of the CIP by project category follows this introductory discussion.

The FY 2021-22 Capital Improvement Program funding in the amount of \$22.3 million is \$17.6 million less than the FY 2020-21 Adopted CIP of \$39.7 million, primarily due to \$27 million in reductions of Bond funding that funded projects in FY2020-21 for the Fire Station #2 replacement, Well Upgrade Project, Automated Meter Replacement Program, and Water Supervisory Control & Data Acquisition. Also, due to limited General Government funding, staff evaluated projects that had General Government funding and strategically funded projects in the current plan. The estimated 2020-21 Ending Fund Balance / 2020-21 Beginning Fund Balance for the General Government Fund is \$10 million, of which \$3.6 million is being used in the current plan. These funds will continue to be analyzed each year to maximize the public benefit for use of these funds.

**The Capital Improvement Budget funding for FY 2021-22 by Project Category is as follows:**

| Project Category               | FY 2021-22 Adopted Budget | Percentage of Total |
|--------------------------------|---------------------------|---------------------|
| Community Improvement Projects | \$4,616,000               | 20.7%               |
| Park Projects                  | \$605,000                 | 2.7%                |
| Street Projects                | \$8,479,000               | 38.1%               |
| Water Projects                 | \$2,090,000               | 9.4%                |
| Sewer Projects                 | \$6,480,000               | 29.1%               |
| Storm Drain Projects           | \$0                       | 0%                  |
| <b>TOTAL</b>                   | <b>\$22,270,000</b>       | <b>100%</b>         |

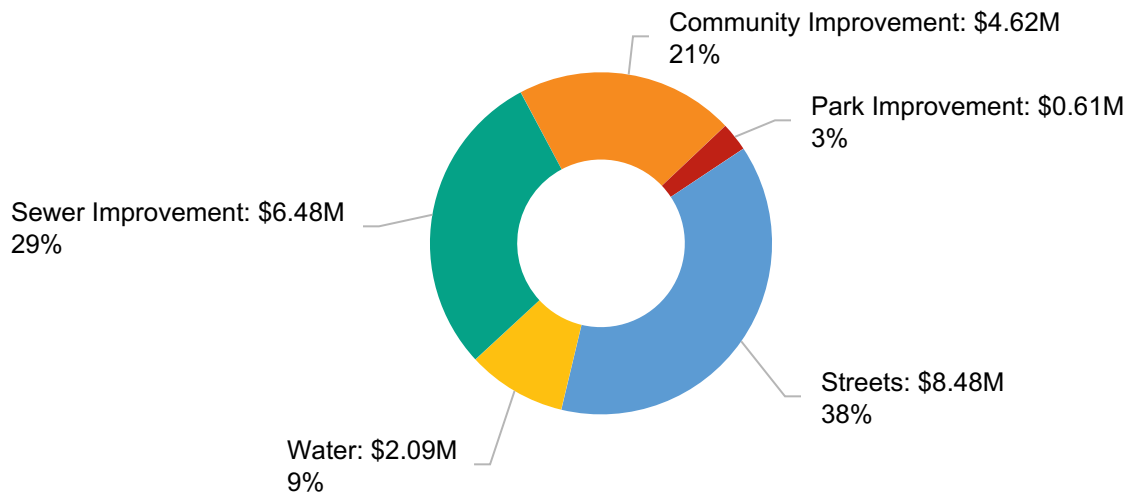
Noteworthy projects recommended for funding in FY 2021-22 include Mobile Emergency Operations Center; Street Resurfacing Project 2021-22; S. Milpitas Blvd. Vehicle Bridge at Penitencia Creek; Well Upgrade Project; and Public Art Project.

The Capital Improvement Budget was reviewed by the Planning Commission on March 10 to determine its conformance with the City's General Plan. The Parks, Recreation and Cultural Resources Commission met on March 1 to review the park improvement projects for FY 2021-22.

The City is pleased to report the significant progress and completion of some major improvements this past year, including Fire Station No. 2 Reconstruction; Creighton Park Reconstruction; Automated Meter Replacement Program; McCarthy Blvd/Sandisk Traffic Signal; and also keeping pace with the Annual Street Resurfacing and Sewer System Replacement projects.

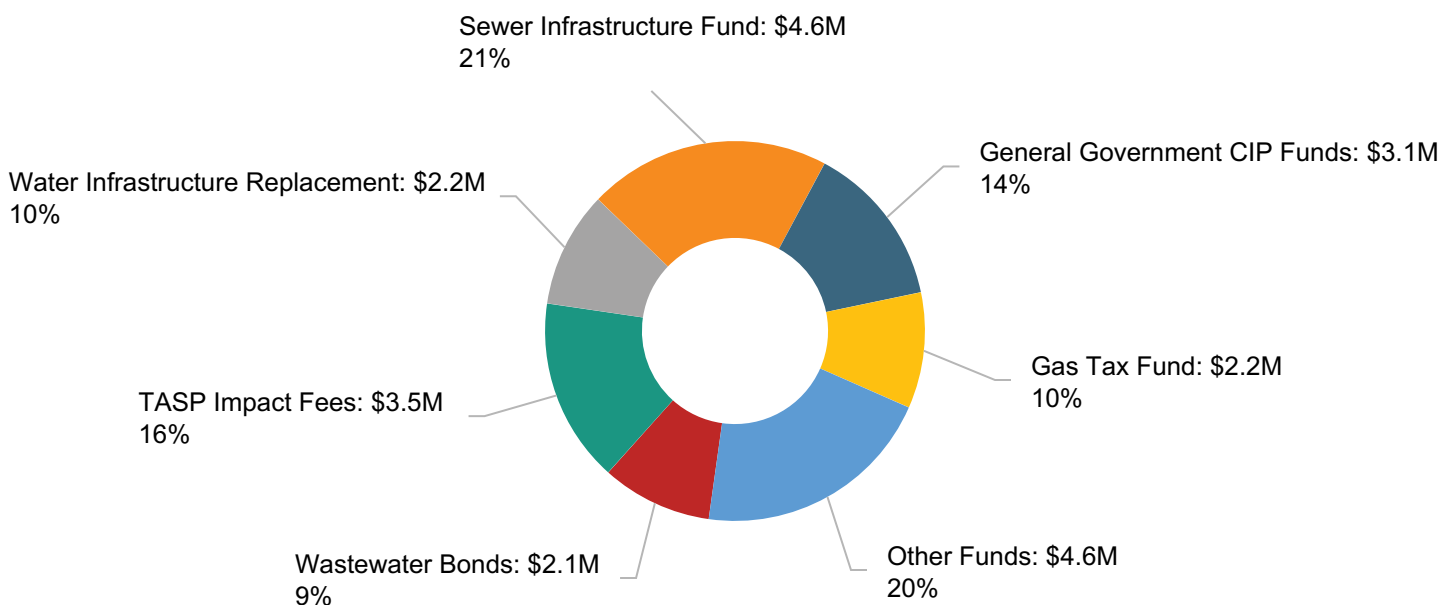
The chart below provides an overview of the City's anticipated capital improvement projects by category in FY 2021-22:

### CIP Expenditures by Category (in Millions \$22.3)



The funding for FY 2021-22 capital improvement projects, as shown by the chart below, is primarily from Sewer Infrastructure Fund, TASP Impact Fees, General Government CIP, Gas Tax Fund, Water Capital Surcharge, and Wastewater Bonds:

### Funding Sources for 2021-22 CIP Projects (in Millions \$22.3)



Since the City's budget is an annual budget, the Budget only incorporates funding for FY 2021-22 capital improvement projects. It should also be noted that while staff prioritizes and anticipates the longer-term funding needs for the next four years in the five-year CIP, years 2023 through 2026 are shown only for planning purposes and are not funded at this time.

The Capital Budget section of this document provides a summary of each project description grouped by project category and a 2022-2026 Capital Improvement Program Grand Summary of project expenses and funding sources. For further details on the capital improvement projects, a separate Five-Year FY 2022-2026 Capital Improvement Program prepared by the Engineering Department may be obtained at the Milpitas City Hall or the City's website.



## Capital Improvement Program Grand Summary

| Project Expenses        | FY 2021-22          | FY 2022-23          | FY 2023-24          | FY 2024-25          | FY 2025-26          | Total                |
|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Community Improvement   | 4,616,000           | 3,000,000           | 2,050,000           | 2,925,000           | 16,825,000          | 29,416,000           |
| Park Improvement        | 605,000             | 6,725,000           | 11,225,000          | 600,000             | 2,300,000           | 21,455,000           |
| Street Improvement      | 8,479,000           | 13,039,000          | 9,214,000           | 21,129,000          | 25,414,000          | 77,275,000           |
| Water Improvement       | 2,090,000           | 3,890,000           | 3,555,000           | 7,680,000           | 24,640,000          | 41,855,000           |
| Sewer Improvement       | 6,480,000           | 12,040,000          | 13,627,000          | 12,608,000          | 3,431,000           | 48,186,000           |
| Storm Drain Improvement | 0                   | 1,555,000           | 0                   | 0                   | 0                   | 1,555,000            |
| <b>Total</b>            | <b>\$22,270,000</b> | <b>\$40,249,000</b> | <b>\$39,671,000</b> | <b>\$44,942,000</b> | <b>\$72,610,000</b> | <b>\$219,742,000</b> |

| Funding Sources               | FY 2021-22          | FY 2022-23          | FY 2023-24          | FY 2024-25          | FY 2025-26          | Total                |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Community Facilities District | 50,000              | 0                   | 0                   | 0                   | 0                   | 50,000               |
| Community Planning Fees       | 550,000             | 0                   | 0                   | 0                   | 0                   | 550,000              |
| Equipment Replacement Fund    | 161,131             | 0                   | 0                   | 0                   | 0                   | 161,131              |
| Gas Tax Fund                  | 2,194,515           | 1,900,000           | 1,900,000           | 1,900,000           | 1,900,000           | 9,794,515            |
| General Government CIP Fund   | 3,110,440           | 0                   | 0                   | 0                   | 0                   | 3,110,440            |
| LLMD                          | 4,000               | 4,000               | 4,000               | 4,000               | 4,000               | 20,000               |
| Measure B                     | 500,000             | 500,000             | 500,000             | 500,000             | 500,000             | 2,500,000            |
| Midtown Park Fund             | 450,000             | 225,000             | 225,000             | 0                   | 0                   | 900,000              |
| Park Fund                     | 35,000              | 0                   | 0                   | 0                   | 0                   | 35,000               |
| Permit Automation Fund        | 50,000              | 0                   | 0                   | 0                   | 0                   | 50,000               |
| Public Art Fund               | 261,000             | 0                   | 0                   | 0                   | 0                   | 261,000              |
| SB1 RMRA                      | 1,500,000           | 1,500,000           | 1,500,000           | 1,500,000           | 1,500,000           | 7,500,000            |
| Sewer Infrastructure Fund     | 4,633,730           | 4,505,737           | 7,286,000           | 50,000              | 50,000              | 16,525,467           |
| Sewer Treatment Fund          | 0                   | 7,534,263           | 0                   | 0                   | 0                   | 7,534,263            |
| TASP Impact Fees              | 3,478,000           | 11,750,000          | 7,250,000           | 21,640,000          | 28,510,000          | 72,628,000           |
| Vehicle Registration Fee      | 500,000             | 500,000             | 500,000             | 500,000             | 500,000             | 2,500,000            |
| Water Capital Surcharge       | 2,176,000           | 3,390,000           | 3,115,000           | 1,840,000           | 3,540,000           | 14,061,000           |
| Water Line Extension Fund     | 0                   | 0                   | 50,000              | 0                   | 0                   | 50,000               |
| <b>Sub Total</b>              | <b>\$19,653,816</b> | <b>\$31,809,000</b> | <b>\$22,330,000</b> | <b>\$27,934,000</b> | <b>\$36,504,000</b> | <b>\$138,230,816</b> |

| External Financing           | FY 2021-22         | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 | Total              |
|------------------------------|--------------------|------------|------------|------------|------------|--------------------|
| Grants/Reimb./Developer Fees | 553,429            | 0          | 0          | 0          | 0          | 553,429            |
| Wastewater Revenue Bonds     | 2,062,755          | 0          | 0          | 0          | 0          | 2,062,755          |
| <b>Sub Total</b>             | <b>\$2,616,184</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$2,616,184</b> |

|                   | FY 2021-22          | FY 2022-23          | FY 2023-24          | FY 2024-25          | FY 2025-26          | Total                |
|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| No Funding Source | 0                   | 8,440,000           | 17,341,000          | 17,008,000          | 36,106,000          | 78,895,000           |
| <b>Total</b>      | <b>\$22,270,000</b> | <b>\$40,249,000</b> | <b>\$39,671,000</b> | <b>\$44,942,000</b> | <b>\$72,610,000</b> | <b>\$219,742,000</b> |

## Community Improvement Projects

The Community Improvement category funds a total of thirteen projects, including one new project:

### 2006 - Milpitas Metro Specific Plan Update (TASP)

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | The Transit Area Specific Plan (TASP) was approved in 2008. Since that time, the City Council has approved minor amendments to TASP focused primarily on individual properties, but a comprehensive evaluation of the plan and the effectiveness of its implementation has not occurred. Approximately 95% of the housing planned and cleared under CEQA for the area have been entitled or constructed. Approximately 50% of retail uses and none of the office have been developed. For this update, the City will evaluate development projects proposed, entitled, or constructed; processes and regulations for development; possible changes to boundaries, density ranges, and land uses shown on the land use diagram; and remaining development capacity. This project will include an update to the TASP EIR to provide environmental clearance for additional residential and commercial development. |
| <i>Operating Budget Impact</i> | This project is anticipated to impact operating expenses in future years. As the scope of this project is better defined through the design process, operating impacts will be reviewed and adjustments may be brought forward in future budgets.  |

### 3403 - Fire Station Improvements

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for various minor improvements to Fire Stations including, but not limited too, renovation or replacement of electrical and mechanical systems, HVAC systems, plumbing, parking lot repairs, emergency power generator systems, interior and exterior painting, replacement of floor coverings, restroom and shower facilities, kitchen improvements, re-roofing and other building and site related improvements. All work will be performed on a priority and funding availability basis. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.   |

### 3406 - City Building Improvements

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for repair, renovation, replacement, and improvements at City buildings including Public Works, Police, Senior Center, Community Center, City Hall, Library and its parking garage, and Sports Center. Work includes electrical and mechanical systems, pool equipment, motors/pumps, fountain repairs, leak repairs, emergency power, HVAC systems, painting, carpeting, code upgrades, space planning, interior remodels, replacement of furnishings, and other related improvements. Work may also include energy savings improvements, such as replacement of lighting fixtures, and installation of more efficient climate controls systems. Work will be completed on a priority and funding availability basis. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.  |

### 3427 - Technology Projects

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for ongoing technology improvements and modernization of various specialty software applications and hardware. The improvements will support the City network infrastructure, record management systems, and the citywide Geographic Information System (GIS). The GIS system application is used by the Engineering, Planning, and Public Works Departments to manage and maintain the City's infrastructure. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.  |

### 3437 - Milpitas Gateway - Main Street Specific Plan Update

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for the update of the Milpitas Midtown Specific Plan which was adopted in March 2002. In June 2008, the Council amended the Plan to remove approximately 100 acres and create the Transit Area Specific Plan. In October 2019, the Council directed staff to suspend their activities on the update and develop a new strategic direction and scope of work. The update will include strategies for long-range planning and strategic investment in a focused area and possible boundary changes that align with Council priorities and current conditions in an expanded Midtown area. |
| <i>Operating Budget Impact</i> | There are no operating or maintenance expenses associated with this project.  |

### 3445 - Public Safety/DPW Disaster Plan Update

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for the update of the City's Emergency Action Plan used by the Police, Fire, and Public Works Departments to manage large scale emergencies such as natural disasters. The update will provide an assessment of City's resources and equipment, and recommendation for asset needs. The project will be completed in two phases where phase 1 is to catalogue and inventory existing equipment, identify staff training needs, host training, and study the City's disaster cost recovery plan and phase 2 is to purchase equipment and resources recommended in the assessment. |
| <i>Operating Budget Impact</i> | This project may impact operating expenses in future years. As the scope of this project is better defined through the design process, operating impacts will be reviewed and adjustments may be brought forward in future budgets.  |

### 3452 - (Rmb) SCVWD Creek Projects

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides reimbursement to the Santa Clara Valley Water District (SCVWD) for levee pedestrian trails and other improvements constructed on behalf of the City along portions of their Creeks. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.                     |

### 3459 - ALPRs and Security Cameras

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for the assessment and installation of video camera systems and automated license plate readers (ALPRs) at various locations to protect the community and critical infrastructure. The units will be placed at strategic points of ingress and egress within the City, high crime areas, and the Milpitas BART station in an effort to address criminal activity. Project also includes installation of hardware, software, and data storage. |
| <i>Operating Budget Impact</i> | This project is currently being funded solely through the CIP including the leasing fee. The scope of this project is continuing to be defined through the design process. Operating impacts will be reviewed and adjustments may be brought forward in future budgets.   |

### 3460 - Comprehensive Zoning Ordinance Update

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for the update to the Zoning Ordinance. The Zoning Ordinance is a primary implementation tool of the General Plan with regard to land use. The City's Zoning Ordinance was last updated in 2008 and has had multiple amendments in recent years in response to changes in State law, zoning practice, and technology. Upon adoption of the General Plan Update, expected in winter 2021, the City should undertake a comprehensive review and update of the Zoning Ordinance to ensure consistency between General Plan policies related to land use and the primary regulations to implement those policies. The Zoning Ordinance update will also ensure conformance of local land use regulations and design standards with State law. |
| <i>Operating Budget Impact</i> | There are no operating or maintenance expenses associated with this project.  |

### 3462 - On-Call Facilities Maintenance & Repair Services

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for on-call repair and maintenance services at all City facilities. Work may include, but is not limited to, repair and replacement of electrical and mechanical systems, plumbing, parking lots, UPS battery backup system replacement, pool equipment, motors/pumps, fountain repairs, leak repairs, emergency power, HVAC systems, painting, carpeting, code upgrades, replacement of floor coverings, restroom and shower facilities, kitchen improvements, locksmith services, windows, doors and gates, replacement of furniture and fixtures, removal and disposal of hazardous materials such as ballasts, lamps/bulbs, batteries, paint, aerosol, cleaning products, pesticides, appliances etc., and other related improvements. Work may also include energy savings improvements, such as replacement of lighting fixtures with energy saving fixtures, and installation of a more efficient climate controls systems. All work will be performed on a priority and funding availability basis. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.   |

## 3464 - Mobile Emergency Operations Center

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for the purchase of a Mobile Emergency Operations Center to be used by the Police and Fire Departments during lengthy field deployments. This vehicle provides a safe operational environment for staff. It will serve as a backup Public Safety Answering Point in the event the current EOC fails. |
| <i>Operating Budget Impact</i> | This project is anticipated to impact operating expenses in future years. As the scope of this project is better defined through the design process, operating impacts will be reviewed and adjustments may be brought forward in future budgets.  |

## 3489 - Public Art Project

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for the assessment and maintenance of City's public art collection. The assessment will inventory and identify maintenance and repair recommendations of the existing collection.                             |
| <i>Operating Budget Impact</i> | This project may impact operating expenses in future years. As the scope of this project is better defined through the design process, operating impacts will be reviewed and adjustments may be brought forward in future budgets. |

## 3490 - Capital Improvement Program Administration

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for the annual preparation of the Capital Improvement Program. Work includes program administration, printing, and software programming assistance. |
| <i>Operating Budget Impact</i> | There are no operating or maintenance expenses associated with this project.  |

| NUMBER            | PROJECT TITLE                                       | ADOPTED            |
|-------------------|---|--------------------|
| 351- 2006         | Milpitas Metro Specific Plan Update (TASP)          | \$100,000          |
| 331- 3403         | Fire Station Improvements                           | 250,000            |
| 331- 3406         | City Building Improvements                          | 500,000            |
| 331- 3427         | Technology Projects                                 | 400,000            |
| 331- 3437         | Milpitas Gateway - Main Street Specific Plan Update | 350,000            |
| 331- 3445         | Public Safety/DPW Disaster Plan Update              | 150,000            |
| 331- 3452         | (Rmb) SCVWD Creek Projects                          | 250,000            |
| 331- 3459         | ALPRs and Security Cameras                          | 315,000            |
| 331- 3460         | Comprehensive Zoning Ordinance Update               | 200,000            |
| 331- 3462         | On-Call Facilities Maintenance & Repair Services    | 205,000            |
| 331- 3464         | Mobile Emergency Operations Center                  | 1,250,000          |
| 331- 3489         | Public Art Project                                  | 261,000            |
| 331- 3490 *       | Capital Improvement Program Administration          | 385,000            |
| <b>Total Cost</b> |   | <b>\$4,616,000</b> |

#### AVAILABLE FINANCING SOURCE

|                              |                    |
|------------------------------|--------------------|
| Community Planning Fees      | \$550,000          |
| Equipment Replacement Fund   | 161,131            |
| General Government CIP Fund  | 2,690,440          |
| Grants/Reimb./Developer Fees | 553,429            |
| Permit Automation Fund       | 50,000             |
| Public Art Fund              | 261,000            |
| Sewer Infrastructure Fund    | 86,000             |
| TASP Impact Fees             | 178,000            |
| Water Capital Surcharge      | 86,000             |
| <b>Total Available</b>       | <b>\$4,616,000</b> |

\* New Project

## Park Improvement Projects

The Park Improvement category funds a total of four projects.

### 3424 - Citywide Park Rehabilitation

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for the assessment and rehabilitation of citywide park playgrounds needing minor improvements. Work includes additional fill material to meet fall attenuation, play equipment repairs, signage installation, and minor improvements to park lighting, pathways, restrooms, snack shacks, etc. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.  |

### 3463 - On-Call Parks and Landscaping Services

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for on-call maintenance and repair services at all City parks and street landscape areas. Work may include, but is not limited to, repair and replacement of irrigation valves, irrigation main lines, controllers, landscaping, drainage, pathways, playground equipment, athletic courts and fields, picnic areas, lighting, parks buildings, and other amenities as needed. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.  |

### 5108 - Sports Fields Turf Rehab. Program

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for turf rehabilitation at City sports fields. The program addresses deferred maintenance, trip hazards and over compaction which impacts the health and growth of the turf. Work may include re-sodding, re-seeding, irrigation repairs and minor rehabilitations. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.   |

### 5113 - Minor Sports Courts Rehabilitation

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for the assessment and minor rehabilitation improvements for the City's tennis, basketball, and sports courts.  |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget. |



| NUMBER                             | PROJECT TITLE                          | ADOPTED          |
|------------------------------------|--|------------------|
| 331- 3424                          | Citywide Park Rehabilitation           | \$350,000        |
| 331- 3463                          | On-Call Parks and Landscaping Services | 120,000          |
| 321- 5108                          | Sports Fields Turf Rehab. Program      | 100,000          |
| 321- 5113                          | Minor Sports Courts Rehabilitation     | 35,000           |
| <b>Total Cost</b>                  |  | <b>\$605,000</b> |
| <b>AVAILABLE FINANCING SOURCE:</b> |  |                  |
|                                    | Community Facilities District          | \$50,000         |
|                                    | General Government CIP Fund            | 70,000           |
|                                    | Midtown Park Fund                      | 450,000          |
|                                    | Park Fund                              | 35,000           |
| <b>Total Available</b>             |  | <b>\$605,000</b> |

## Street Improvement Projects

The Street Improvement category funds a total of nine projects.

### 2016 - S. Milpitas Blvd. Vehicle Bridge at Penitencia

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for the design and construction of a vehicular bridge over Penitencia Creek at the end of the new S. Milpitas Blvd. Extension. The vehicular bridge is part of the Metro Area Specific Plan circulation infrastructure plan to provide vehicular, bicycle and pedestrian connectivity between Metro developments, Milpitas BART Station, Great Mall and surrounding residential developments. |
| <i>Operating Budget Impact</i> | This project is anticipated to impact operating expenses in future years. As the scope of this project is better defined through the design process, operating impacts will be reviewed and adjustments may be brought forward in future budgets.   |

### 3411 - Sinclair LLMD Improvements 98-1

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for the design and construction of landscape and irrigation renovation along portions of Los Coches Street and Sinclair Frontage Road. Work is part of the Lighting, Landscape, Maintenance, Assessment District (LLMD) 98-1. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.   |

### 3426 - Annual Sidewalk, Curb & Gutter Repair

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for repairs and replacement of sidewalk and curb and gutter to eliminate safety/trip hazards caused by tree roots and drainage issue in the City right-of-way and facilities . |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.                |

### 3440 - Annual Street Light, Signal, and Signage

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for repairs, replacement, and minor improvements to street lights, signage and traffic control devices. Work may include street light and traffic signal fixtures, poles and wiring, traffic signage, traffic/pedestrian safety devices, signal battery backup systems, and related appurtenances. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.  |

### 4267 - Soundwall and Barrier Repair and Renovation Program

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for the renovation and repair of City-owned sound walls, fences and barriers within parks and along streets. Portions of the walls have deteriorated and will need to be structurally repaired or completely replaced. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.  |

### 4283 - ADA Curb Ramp Transition Program

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This mandatory program involves citywide replacement or upgrade of existing curb ramps to current standard Americans with Disabilities Act (ADA) compliant ramps. The project will include construction of segments of new sidewalk to close gaps, and to allow the City to be eligible for future Federal transportation aid funds. This is an annual program that is partnered with the Annual Street Resurfacing Program. Sites in the vicinity of the street resurfacing program will be considered for sidewalk and curb ramp upgrade. The target program completion date for citywide ADA public street curb ramp compliance is 2040. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.   |

### 4294 - SR237 HOV Lane Improvements

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for traffic flow improvements on State Route (SR) 237 at McCarthy Blvd. Improvements may include a high-occupancy vehicle (HOV) lane at the westbound on-ramp, HOV lane on the Calaveras Blvd. slip ramp, and/or a new traffic study. |
| <i>Operating Budget Impact</i> | There are no operating or maintenance expenses associated with this project.  |

### 4295 - Street Pavement Restriping

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for maintenance and public safety improvements of Citywide street striping infrastructure. Work includes restriping of pavement legends, lane lines, and crosswalks and placement of markers. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.                               |

4303 - Street Resurfacing Project 2021-22

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for roadway pavement repair, rehabilitation, and/or reconstruction. Streets are selected for improvement based on a Pavement Management System to optimize the pavement condition rating and use of funding. Locations and streets may vary dependent on the City's needs and funding. There are currently 129 center lane miles of streets that are owned by the City. The project will include replacement and upgrade of curb, gutter, driveway, sidewalk, installation of ADA ramps, implementation of Class II bike lanes, and Class III bike route facilities as described in the City's latest Bikeway Master Plan Update. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.   |

| NUMBER                             | PROJECT TITLE                                       | ADOPTED            |
|------------------------------------|---|--------------------|
| 351- 2016                          | S. Milpitas Blvd. Vehicle Bridge at Penitencia      | \$3,300,000        |
| 331- 3411                          | Sinclair LLMD Improvements 98-1                     | 4,000              |
| 331- 3426                          | Annual Sidewalk, Curb & Gutter Repair               | 350,000            |
| 331- 3440                          | Annual Street Light, Signal, and Signage            | 375,000            |
| 311- 4267                          | Soundwall and Barrier Repair and Renovation Program | 100,000            |
| 311- 4283                          | ADA Curb Ramp Transition Program                    | 300,000            |
| 311- 4294                          | SR237 HOV Lane Improvements                         | 100,000            |
| 311- 4295                          | Street Pavement Restriping                          | 200,000            |
| 311- 4303                          | Street Resurfacing Project 2021-22                  | 3,750,000          |
| <b>Total Cost</b>                  |   | <b>\$8,479,000</b> |
| <b>AVAILABLE FINANCING SOURCE:</b> |   |                    |
|                                    | Gas Tax Fund  | \$2,194,515        |
|                                    | General Government CIP Fund                         | 350,000            |
|                                    | LLMD  | 4,000              |
|                                    | Measure B   | 500,000            |
|                                    | SB1 RMRA  | 1,500,000          |
|                                    | Sewer Infrastructure Fund                           | 130,485            |
|                                    | TASP Impact Fees                                    | 3,300,000          |
|                                    | Vehicle Registration Fee                            | 500,000            |
| <b>Total Available</b>             |   | <b>\$8,479,000</b> |

## Water Improvement Projects

The Water Improvement category funds a total of four projects.

### 7076 - Well Upgrade Project

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for design, construction, and installation of the existing and new Wells as recommended by the Water Supply Augmentation Feasibility Report, March 2015. Project includes the design and construction of a new Well at McCandless Park site to serve the Midtown and Transit Area Specific Plan (TASP) areas; installation of a treatment facilities at Curtis Well; and improvements to the facilities at Pinewood Well. |
| <i>Operating Budget Impact</i> | This project is anticipated to impact operating expenses in future years. As the scope of this project is better defined through the design process, operating impacts will be reviewed and adjustments may be brought forward in future budgets.   |

### 7110 - Hydrant Replacement Program

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for citywide replacement of hydrants and related infrastructure as recommended in the Water Supply Augmentation Feasibility Report, March 2015. The City maintains approximately 2,200 fire hydrants and they have a 30-year service life. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.  |

### 7133 - Minor Water Projects

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for system analysis and implementation of various minor water projects which arise during the year. It provides for on-going repairs, replacement, and improvement to the water system such as enhancing security at various water facilities, pumps, generators, valves, water lines, and equipment. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.   |

### 7135 - Water Leak Detection & Condition Assessment Program

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for a leak detection program of the City water system to identify system leaks and determine the volume of water lost. The program will include the real-time monitoring of leaks through the deployment of acoustic loggers and pressure transients, and other techniques and technologies that become available. It also funds the completion of pipeline condition assessments and field verification of critical segments of the water system to evaluate the remaining service life of water pipelines. |
| <i>Operating Budget Impact</i> | This project may impact operating expenses in future years. As the scope of this project is better defined through the design process, operating impacts will be reviewed and adjustments may be brought forward in future budgets.  |

| NUMBER                             | PROJECT TITLE                                       | ADOPTED            |
|------------------------------------|---|--------------------|
| 401- 7076                          | Well Upgrade Project                                | \$1,500,000        |
| 401- 7110                          | Hydrant Replacement Program                         | 90,000             |
| 401- 7133                          | Minor Water Projects                                | 350,000            |
| 401- 7135                          | Water Leak Detection & Condition Assessment Program | 150,000            |
| <b>Total Cost</b>                  |   | <b>\$2,090,000</b> |
| <b>AVAILABLE FINANCING SOURCE:</b> |   |                    |
| Water Capital Surcharge            |   | \$2,090,000        |
| <b>Total Available</b>             |   | <b>\$2,090,000</b> |



## Sewer Improvement Projects

The Sewer Improvement category funds a total of four projects.

### 6118 - SJ/SC Regional Waste Water Facility

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | The City pumps sewage to the San Jose/Santa Clara Regional Waste Water Facility for waste water treatment before it can be discharged into the San Francisco Bay. The facility was originally constructed in 1956 and is reaching the end of its useful life. The City of San Jose, who operates the facility, is undergoing an estimated \$2 billion rehabilitation project to completely overhaul the facility over the next 30 years. Since the City of Milpitas uses approximately 7%, it will be responsible for 7% of the cost of improvements which is approximately \$140 million over the next 30 years. This project funds Milpitas' share of the rehabilitation costs. |
| <i>Operating Budget Impact</i> | There are no operating or maintenance expenses associated with this project.  |

### 6124 - Sewer Pump Station Rehab. Program

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for rehabilitation or replacement of wastewater pumps at Main and Venus Wastewater Lift Stations to safely discharge sewage. Work also includes rotational assessment of the City's six wastewater pumps and peripheral equipment replacement such as electrical control, flow equipment, and variable frequency drives and grinders. |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget.   |

### 6126 - Minor Sewer Projects

|                                |   |
|--------------------------------|---|
| <i>Project Description</i>     | This project provides for ongoing analysis, engineering, and implementation of various minor modifications and improvements to existing sewer systems.                                |
| <i>Operating Budget Impact</i> | There are no additional operating impacts anticipated from this project. Any additional maintenance costs that occur will be absorbed within the annual maintenance operating budget. |

**6131 - Sanitary Sewer Cathodic Protection Imprv.**

|                                |  |
|--------------------------------|--|
| <i>Project Description</i>     | This project provides for the assessment, design, and installation of a cathodic protection system along the City's steel sewer force main from the City's Pump Station to SJ Regional Wastewater Treatment Plant. Soils within the City have been found to be highly corrosive and are detrimental to steel pipelines. Cathodic protection systems use sacrificial anodes and other means to protect the metal pipeline. Work also includes abandonment of the existing corrode diverter valve and its vault located within the Coyote Creek floodplain, CCTV inspection, replacement of two existing magnetic flow meters at the main pump station with proper isolation to prevent reading interference, the evaluation of existing pinch valve vaults near Zanker Road, and the evaluation of the soils around the existing force main pipeline. |
| <i>Operating Budget Impact</i> | This project may impact operating expenses in future years. As the scope of this project is better defined through the design process, operating impacts will be reviewed and adjustments may be brought forward in future budgets.  |

| NUMBER                             | PROJECT TITLE                             | ADOPTED            |
|------------------------------------|---|--------------------|
| 451- 6118                          | SJ/SC Regional Waste Water Facility       | \$5,730,000        |
| 451- 6124                          | Sewer Pump Station Rehab. Program         | 100,000            |
| 451- 6126                          | Minor Sewer Projects                      | 50,000             |
| 451- 6131                          | Sanitary Sewer Cathodic Protection Imprv. | 600,000            |
| <b>Total Cost</b>                  |   | <b>\$6,480,000</b> |
| <b>AVAILABLE FINANCING SOURCE:</b> |   |                    |
|                                    | Wastewater Revenue Bonds                  | \$2,062,755        |
|                                    | Sewer Infrastructure Fund                 | 4,417,245          |
| <b>Total Available</b>             |   | <b>\$6,480,000</b> |

## Fund Descriptions

The basic accounting and reporting entity for a City is a fund. A fund is "an independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created". Funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds used in government are classified into three broad categories: governmental, proprietary and fiduciary. Governmental funds include activities usually associated with a typical state or local government's operations (public safety, general government activities, etc.). Proprietary funds are used in governments to account for activities often found in the private sector (utilities, stadiums, and golf courses are prime examples). Trust and Agency funds are utilized in situations where the government is acting in a fiduciary capacity as a trustee or agent. The various funds are grouped in fund types and categories as follows:

### Governmental Funds

Government Funds include activities usually associated with the governmental entities' operations (police, fire and general government functions).

**General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are sales taxes, property taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for general government activities, public safety, most street work and the other services described above.

**Special Revenue Funds** – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

- **Public Art Fund** – was established to account for construction or acquisition of public art to expand opportunities for the City of Milpitas' citizens to experience public art and enhance the quality of life in the community. The city dedicates 1.5% of eligible projects within the annual Capital Improvement Project expenditures to the acquisition and installation of public art. The expenditures will include, but not limited to, the cost of public art, its installation, maintenance and repair of artwork funded by this fund.
- **Gas Tax Fund** – was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided by the City's share of state gasoline taxes.
- **Lighting and Landscape Maintenance District Fund** – was established to account for assessments within a district. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.
- **Community Facility District Fund** – was established to account for special taxes collected within the district to provide park maintenance and street landscape maintenance services, public safety.
- **Housing and Community Development Fund** – was established to account for community development block grants and expenditures.
- **Law Enforcement Services Fund** – was established to account for the proceeds from the sale of assets which were seized in connection with drug related arrests made by the Allied Agency Narcotic Enforcement Team (AANET) of Santa Clara County and federal asset forfeiture funds received through the Equitable Sharing program. Shared funds must be used only for specified law enforcement purposes; funds are to be used to augment law enforcement budgets, not supplant them. This fund also accounts for the Supplemental Law Enforcement Services grant and expenditures.
- **Solid Waste Services Fund** – was established to account for landfill tipping fees allocated by Santa Clara County. The County allocates a fee of \$1 per ton to each City to be used in relation to the State of California Waste Reduction Act. Revenue is used for the implementation of future waste reduction programs to meet the

future State required landfill deposits percentage reduction. The fund also accounts for special charges built into garbage rates specifically for community promotions and household hazardous waste activities. These activities support the City's ongoing efforts to meet State mandates to reduce waste.

- **Hetch-Hetchy Ground Lease Fund** – Established to account for the lease payment to the City and County of San Francisco for the permitted use of the Hetch-Hetchy land.
- **Housing Authority Fund** – was established to allow the City to aggressively plan and address aging of the Milpitas housing stock, limited amount of land, high costs of housing, continuous overcrowding and potential increase in unsanitary conditions. The establishment of a Housing Authority allows the City to improve the quality of life and standard of living for a substantial number of its residents.

**Debt Service Funds** – Debt Service Funds are used to account for financial resources to be used for the payment of principal and interest on governmental fund long-term debt. The City has the following outstanding bonds: 2015 Tax Allocation Bond and 2017 Wastewater Revenue Refunding Bonds.

**Capital Projects Funds** – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

- **Redevelopment Project** – was established to account for the financing and construction activities in the redevelopment project areas. This fund is inactive as of 1/31/2012 due to Assembly Bill 1X26.
- **Street Improvement Fund** – was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided through State and federal grants.
- **General Government Fund** – was established to account for the construction and maintenance of community improvements. Capital projects previously accounted for in the General Fund has been incorporated in this fund.
- **Park Improvement Fund** – was established to account for the construction and maintenance of City parks. Financing is provided by a special parks improvement fee imposed on developments.
- **Transit Area Impact Fee Fund** – was established to account for the financing and construction activities of infrastructure in the Transit Area Specific Plan.
- **Storm Drain Improvement Fund** – was established to account for the construction and maintenance of City storm drains. Financing is partially provided by fees imposed on developments

### Proprietary Funds

**Enterprise Funds** – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City operates the Water Utility and Sewer Utility enterprise funds.

- **Water Utility Fund** – was established to provide water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, and billing and collection.
- **Sewer Utility Fund** – was established to provide sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

**Internal Service Funds** – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

- **Equipment Management Fund** – was established to finance and account for the replacement of equipment used by City departments on a cost reimbursement basis.
- **Information Technology Replacement Fund** – was established to finance and account for the replacement of information technology equipment used by City departments.
- **Permit Automation Fund** – was established to finance and maintain the online permit development system.

## Fiduciary Funds

**Agency Funds** – Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

- **Employee Deferred Compensation Plan** – was established to account for accumulated employee funds withheld and invested as provided by the Plan.
- **Employee Benefit Fund** – was established to account for self-insured employee dental plan, short term disability plan and MOU contractual agreements.
- **Senior Advisory Commission Fund** – was established to account for the fund raising activities of the Commission.

## Revenue Descriptions

The City of Milpitas provides many services to its residents such as Police, Fire, Parks, Recreation, etc. These services are not without cost to the taxpayer. It is the task of City Officials to produce the necessary revenue to satisfy the ever-growing demand for local services.

The City of Milpitas receives revenue from many sources to offset the costs of its operations. Revenue is received from sales taxes, property taxes, and many other sources. For each fiscal year, the City's revenues are estimated conservatively and, therefore, actual revenues received often exceed the estimated projections. This section will describe the major revenue sources available to the City. The Summary of Current Revenues by Fund will provide a more detailed breakdown of all revenues. The major revenue sources are as follows:

### Property Taxes

**Property Taxes** – Property tax is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property located within the City. The tax comprises one percent of the assessed value of the property. The assessed value of real property appraised by the County Assessor in the 1975-76 assessment role value adjusted after 1975 by a two percent inflation factor per year. When property changes hands or new construction occurs, it is reassessed at its current market value. Included in Property tax revenue is Excess Educational Revenue Augmentation Fund (ERAF), which is the mechanism that moves state funds through the County system. The California Legislature created ERAF in 1991 to reduce state general fund spending on schools, in which a portion of property tax revenue goes to ERAF to support local school districts. When the amount contributed to ERAF is more than the minimum cost of funding local schools, excess funds are returned to the County, Cities, and Special Districts. Redevelopment Property Tax Trust Fund (RPTTF) is property tax revenue which had previously been paid to each Redevelopment Agencies (RDA), but is now required to be transferred to a new trust fund, RPTTF, as all RDAs were dissolved.

### Sales Taxes

**Sales and Use Tax** – Sales and use tax is imposed on retailers for the privilege of selling, at retail, within the City limits. This tax is based on the sales price of any taxable transaction of tangible personal property. The Bradley-Burns Uniform Local Sales and Use Tax Law, adopted in 1955, extends the authority to impose local tax to counties. One percentage point of the sales tax collected by the State Board of Equalization is allocated back to the City for general purposes. This revenue is placed in the General Fund for unrestricted uses. Operative April 2021, Measure F, a Transaction and Use tax, will enact a ¼ cent local sales tax for eight years, with locally-controlled funding that cannot be taken by the state.

### Transient Occupancy Tax

**Transient Occupancy Tax** – The Transient Occupancy Tax in Milpitas is a fourteen percent (14%) tax on the cost of a hotel room and imposed on "transients" who occupy a room or rooms in a hotel, inn, motel, tourist home or other lodging facility within the City's limits.

### Franchise Fees

**Franchise Fees** – A Franchise Fee is imposed on various utilities and organizations which permits them to use and operate those facilities within the City. In Milpitas, franchise fees are charged for Electric, Gas, Garbage, Nitrogen Gas and Cable Television franchises.

### Other Taxes

**Business License Tax** – A Business License Tax is imposed on businesses for the privilege of conducting business within the City. Fees are based on bracketed structures according to the type of business. The fee



structures are as follows: average number of employees, number of units or rooms, number of vehicles or a flat fee.

**Motor Vehicle In-Lieu Tax** – The Motor Vehicle In-Lieu Tax is collected by the State Department of Motor Vehicles through its vehicle registration program in-lieu of a City personal property tax on motor vehicles.

**Gas Tax** – The State Gas Tax is derived from State of California taxes on gasoline purchases and is allocated, on a share basis, to cities. The Gas Tax revenues are broken down into Sections 2106, 2107 and 2107.5. Sections 2106 and 2107 funds are restricted to the construction, improvements and maintenance of public streets. Section 2107.5 funds are restricted to engineering costs and administrative expenses with respect to City streets.

## Licenses, Permits & Fines

**Building Permits** – The City requires that building permits be obtained to ensure that structures meet specific standards as identified in the Municipal Code. The City requires various construction permits for activities such as the installation of electrical and plumbing. The City charges a fee for issuing these permits in order to recover the costs incurred.

**Fire Permits** – The Milpitas Municipal code requires permits be obtained and inspections conducted to ensure activities regulated by the fire code meet specific standards for the protection of life, property and the environment. Activities include: high piled combustible storage, hazardous materials, assembly, and life safety inspections of licensed facilities, apartments, and hotels and motels.

**Vehicle Code and Other Court Fines** – The City receives a portion of all fines assessed, in Milpitas, for infractions of the State of California Vehicle Code and may receive other court fines as directed by the County, State or Federal Courts.

**False Alarm Fees** – Currently the Milpitas Municipal Code provides that a property may have two false alarms in a one-year period. Subsequent false alarms, within that period, are assessed a service charge that can increase from \$300 to \$900 depending on the number of alarms.

**Booking Fees** – Counties within California are authorized to charge a "criminal justice administrative fee" intended to cover the "reimbursement of County expenses incurred" for booking and processing of arrested persons who are brought to the County jail for booking or detention. In return, Judges may pass along the City's costs to the offender as part of their court-ordered restitution.

## Use of Money and Property

**Interest on Pooled Investments** – Interest income is earned as the City invests its idle funds in various investment instruments. The goal of the City regarding investments is to ensure the safety of each investment and maintain liquidity while achieving a fair rate of return - safety, liquidity and yield - in that particular order.

## Intergovernmental

**Federal, State and County Contributions** – Senior Nutrition fees are one example of a County contribution that is reimbursed to the City from the County of Santa Clara for lunches provided to senior citizens.

### Miscellaneous Grants –

- **Community Development Block Grant** – The Housing and Community Development Block Grant (CDBG or HCD) program was designed by the Department of Housing and Urban Development (HUD) to revitalize low and moderate income areas within a city. The use of CDBG funds is restricted by specific provisions and is managed by the Housing function.
- **Public Safety Grants** - The City is currently receiving multiple public safety grants including: Supplemental Law Enforcement Services Grant, Local Law Enforcement Block Grant, and Justice Assistance Grant. Future grant spending will be designated for vehicles, equipment and technology improvements.

- SB90 - The law in the State of California provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. Costs mandated by the State means any increased costs which a local agency is required to incur after July 1, 1990, as a result of any new statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service in an existing program.

### Charges for Services

**Charges for Current Services** – All City's basic service charges are recorded at the department or division levels that are associated with specific governmental and enterprise activities. These service levels are: General Government, Planning, Fire, Police, Recreation, Building and Public Works. This is a GASB 34 requirement.

**Planning Fees and Sale of Maps and Documents** – Included in these fees are a range of service charges for staff responses to inquiries from the public to review and interpretation of complicated planning and zoning ordinances. Also included are reproduction costs associated with maps and documents from all functions within the organization.

**Recreation Fees** – Recreation fees include user program fees for preschool, after-school, teen and summer camp programs; swimming lessons; special events and youth and adult recreational classes.

**Rents and Concessions** – Rental fees are charged for the private use of City facilities. Rental facilities include the Community Center, Sports Center, Senior Center, the Jose Higuera Adobe and parks throughout the City.

**Utility Charges** – Utility service charges for water and sewer, based on volume and flat meter charges.

### Other Revenues

#### **Development –**

- Park Development Fees - The Park Development Fee is paid by a developer or subdivider for park or recreation purposes, in-lieu of the dedication of the land.
- Treatment Plant Fees - Treatment Plant fees are payment for the purchase of waste water treatment capacity rights. The fee is measured in gallons per day, and the higher the usage, the higher the fee. All fees collected are used for Capital Improvement Projects or for Capital Operating Costs at the San Jose/Santa Clara Water Pollution Control Plant or within the City.
- Traffic Impact Fees - A Traffic Impact Fee is an exaction from a developer to mitigate traffic impacts associated with the development of the subject property. These fees can be dictated by ordinance or by documentation in a Traffic Impact Analysis (TIA) and are then conditions of approval for the development.
- Transit Area Specific Plan (TASP) Impact Fees - TASP impact fee is an exaction from a developer to mitigate impacts associated with the development of the TASP area. There are four different rate structures based on the development type: residential, office, hotel and retail. The fee is calculated using a blended rate, which on average consists of 16% street improvement, 12% sewer, 13% water, 40% community and park improvement, 12% traffic mitigation and 7% for other miscellaneous categories.

#### **Reimbursements -**

- AVASA - Beginning in 1996, the State of California, through the Abandoned Vehicle Abatement Service Authority, began reimbursing cities for vehicle abatement activities based on a per vehicle cost. The State reimbursement varies from year to year based on the number of vehicles claimed by all participating cities.

#### **Miscellaneous -**

- Solid Waste - Currently the Solid Waste function has two very different revenue streams. The first AB939 is collected by the County as a Tipping Fee at the Landfill and reimbursed to the City on a quarterly basis. The purpose of this fee is to encourage achievement of the State's landfill reduction goal. The second fee is paid by the solid waste customers, incorporated in user rates, and is specifically earmarked for community education and the Household Hazardous Waste programs.

## Expenditure Descriptions

### *Personnel Services*

#### Salaries and Wages

**Permanent** – Salaries for full time and part time permanent employees.

**Temporary** – Salaries full time and part time employees who are hired in temporary or substitute basis.

**Overtime** – Amounts paid to employees for work performed in addition to the normal work period. Hours work in excess of 40 hours per week.

**Charged to CIPs** – Budget amount to account for payroll costs that will be charged to the Capital Improvement Projects.

#### Allowances / Leaves

**Allowances** – Amounts paid to employees who are entitled to allowances such as car, telephone, uniform, special licenses, canine, motorcycle, SWAT, pager and bilingual pay.

**Leave CashOut** – Amounts paid to employees for hours cashed out from sick or vacation time banks.

**Accrued Leave** – To record year-end adjustments of accrued vacation according to the Generally Accepted Accounting Principles (GAAP).

#### Benefits

**PERS** – Amounts contributed to the Public Employees' Retirement System (PERS) plan for its employees.

**Group Insurance** – City of Milpitas' share of any insurance coverage for its employees such as Medical, Dental, Vision, Life Insurance, Long Term Disability and Short Term Disability.

**Medicare-Employer's Contribution** – City of Milpitas' share of the Federal Medicare contributions for its employees.

**Worker's Compensation** – Amount allocated to pay for worker's compensation claims made by employees.

**MOU Contractual Agreements** – Amounts paid according to negotiated MOU agreements.

**Deferred Compensation** – Employer Contribution - Contributions made to the employees' deferred compensation plan.

**PARS** – Amounts contributed to the Public Agency Retirement System-Alternate Retirement System (PARS-ARS) plan for temporary employees not in the PERS system. This is an alternative to the Social Security System.

#### Adjustments - Payroll

**Adjustments** – Payroll - To record year-end payroll adjustments in accordance to the Generally Accepted Accounting Principles (GAAP), i.e., Accrued Payroll which reflects salaries and wages earned by employees as of June 30 but not paid until July.

**Vacancy Factor** – Budget amount to account for vacant positions.

**Overhead** – Private Jobs (PJs) contractual Labor and Payroll - A charge made to a developer account to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account charged.

**Salary Reduction** – Budget amount to account for reduced funding.

### Retiree Benefits

**Retiree Medical Reserve** – Amount allocated to fund a portion of the outstanding retiree medical benefits liability.

**Retiree Medical Payment** – Payment of the outstanding retiree medical benefits liability.

**Retiree Medical Reimbursement** – Reimbursement from California Employer Benefit Trust fund for retiree medical payment.

### *Supplies and Contractual Services*

#### Community Promotions, Grants and Loans

**Community Promotions** – Public relations activities that are aimed to contribute to the progress or growth of the community.

**Community Promotions CC Allocated** – Public relations activities for progress or growth of the community allocated by the CITY COUNCIL.

**Community Promotions CC Unallocated** – Public relations activities for progress or growth of the community not yet allocated by the CITY COUNCIL.

**Cultural Arts Grants** – Financial assistance provided for Cultural Arts programs or activities.

**Miscellaneous Grants** – Financial assistance provided for miscellaneous grant programs.

**Sports Grants** – Financial assistance provided for Sports programs or activities.

**Housing Rehab Loans** – Amount loaned to homeowners for housing rehabilitation purposes under the Community Development Block Grant (CDBG) program.

**CDBG Grants** – Payment to subrecipients of CDBG Grants.

**Miscellaneous Loans** – Loans other than for housing rehabilitation purposes under the CDBG program.

#### Department Allocations

**Equipment Replacement Amortization** – Department's share of the fund being set aside for the purpose of replacing equipment in the Equipment Replacement Program.

#### Supplies

Generally, these are items that are consumed.

**Office Supplies** – Purchased for office use. Examples are pen, folders, drinking water, and coffee.

**Departmental Supplies** – Items that are used for the programs of the department. Examples are food for the Senior Center, sports supplies for the Recreation Department, target supplies for the Police Department, and tools for Public Works.

**Maintenance Supplies** – Used for repairs and maintenance of equipment or building. Examples are bolts, screws, nails, janitorial supplies, etc.

**Health & Safety Supplies** – Used for health and safety purposes. Examples are goggles, safety shoes, hard hats, gloves, first-aid kits, VDT glasses, etc.

#### Services

Generally, amount paid for services rendered by organization or personnel not on the payroll of the City of Milpitas. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

**Advertising** – Costs of media services and associated costs. Media advertising includes magazines, newspapers, radio and television programs, direct mail, exhibits, and the like. Examples are advertising for such purposes as personnel recruitment, legal ads, new and used equipment and sale of property, and City Clerk notices of meetings.

**Blueprinting** – Usually are services provided to blueprint the engineering plans.

**Contractual Services** – Services rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement. Payment of fees to contractors to acquire license or permits for the City of Milpitas should be recorded in this account. NOTE: Copier charges should be paid from this account.

**Contractual Services-PJ's Labor** – Rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement for its Private Jobs (PJ). Examples are carpentry, painting, and other labor for the City's Private Jobs.

**Audit Fees** – Professional services provided by Certified Public Accountants (CPA) firms for the purpose of auditing the City's financial statements. Example is the Comprehensive Annual Financial Report.

**Street Sweeping** – Includes sweeping and washing streets, flushing gutters and underpasses and collecting and disposing of debris from streets and public roadways.

## Repair & Maintenance

**Repair & Maintenance** – Repair and maintenance services provided by personnel not on the payroll of the City of Milpitas. This includes repair and maintenance of the City's buildings and equipment. Examples are vehicular, equipment, and/or facilities repair and maintenance. Cost of warranty obtained after the original equipment warranty expired or any warranties obtained after the purchase of the equipment should be recorded to this account. Annual maintenance agreement or contract on equipment should be recorded here.

**Rents and Leases** – Costs for renting or leasing land, buildings, equipment and vehicles for either temporary or long range use by the City of Milpitas. Agreement should not have an option to buy or to acquire ownership at the end of the lease term. (Please see Capitalized Leases, also).

**Contributions to Non-City owned Capital Assets** – Costs incurred in capital improvement projects that the City does not have the ownership of the property. These costs generally incurred by the City for the benefits of the residents in Milpitas but the property is owned by another government agency. For example, the City spent money to improve the I880/237 intersection to improve the quality of life for local residents, but the City does not own the intersection. CalTrain owns the intersection. GASB 34

## Legal Services

**Retainers and Fees** – Fees paid to engage the services of a professional adviser such as an attorney.

**Pooled Liability Assurance Network Joint Powers Authority (Plan JPA) Attorney's Fees** – Fees paid to Plan JPA attorney.

**Pooled Liability Assurance Network Joint Powers Authority (Plan JPA) Settlements** – Costs paid to Plan JPA for settling insurance claims.

**Litigation** – Costs incurred to settling litigation or lawsuits. This should include costs incurred during legal proceedings.

## Elections

**Elections** – Includes expenditures for holding general primary and special elections.

## Communications

**Communications** – Except the categories below, any services provided by persons or businesses to assist in transmitting and receiving messages or information.

**Phone-Local** – Basic monthly telephone charges. Computer Data Lines - Charges for computer data lines services such as Internet user's fees and charges, T1 line monthly charges, and web site charges, if any.

**Phone-Long Distance** – Long distance telephone charges.

**FAX** – Fax line fees and charges.

**Pagers** – Pagers monthly fees.

**Cellular Phones** – Fees and charges associated with cellular telephones.

**Fire Alarms** – Fees and charges for usage and maintenance of fire alarm lines.

**Police Alarms** – Fees and charges for usage and maintenance of police alarm lines.

### Utilities

**Utilities** – Expenditures for energy except gas, electric and water. Examples are bulk oil normally used for heating, and bulk gasoline or diesel purchase for non-transportation use. Gasoline or diesel purchased for transportation purposes should be charged to account 4223 departmental supplies.

**Utilities-Gas** – Gas purchased from a public or private utility company for the City of Milpitas facilities consumption.

**Utilities-Electric** – Electricity purchased from a public or private utility company for the City of Milpitas facilities consumption.

**Utilities-Water** – Water purchased for the City of Milpitas facilities consumption. Drinking water bottles purchased should be charged to account 4221 Office Supplies.

### Utilities - Water Purchase

**SFWD, Wholesale Water Purchase** – Water purchased from San Francisco Water Department (SFWD) for resale to the residence and businesses being served by the City of Milpitas.

**SCVWD, Wholesale Water Purchase** – Water purchased from Santa Clara Valley Water District (SCVWD) for resale to the residence and businesses being served by the City of Milpitas.

**Recycled Water Purchase** – Purchased for resale to the businesses being served by the City of Milpitas. For irrigation use only.

### Treatment Plant

**Treatment Plant, M & O** – City of Milpitas waste water treatment fees paid to City of San Jose -Maintenance and Operation.

### Training, Travel & Memberships

**Membership and Dues** – Amount paid for an employee or group of employees of the City of Milpitas to be a member of an organization.

**Professional Licensing** – Fees paid for an employee of the City of Milpitas to acquire or renew a license or permit in order for him/her to exercise his/her profession. Examples are CPA and Civil Engineer licenses.

**Training/Registration** – Fees paid for a City of Milpitas employee to enroll or attend a seminar, workshop, and/or training class.

**Lodging/Travel** – This is the actual amount paid for a place to stay while a City of Milpitas employee is conducting out-of-the-office business (e.g. hotel accommodation). Airfare and other transportation expenses, except use of own vehicle, such as shuttle to airport and hotel, and car rental are recorded in this account. This is associated with approved travel request.



**Meals for Meetings** – Expenses incurred to provide food in conducting department and/or business meetings. Restaurant meals eaten off site must be approved in advance according to the SOP 8-1.

**Per Diem** – Specified daily meals, incidental expenses, and/or lodging allowance in lieu of actual meal(s), and/or lodging expenses incurred while conducting out-of-the-office business. This is associated with approved travel request. Per Diem rates vary according to your business destination. City of Milpitas' per diem rates are according to the Maximum Federal Per Diem Rates for Travel in Continental United States (CONUS). Please call the Finance Department or refer to the current IRS Publication 1542 for the appropriate per diem rates of your business destination.

**Mileage Reimbursement and Parking** – Payment to an employee for the use of his/her vehicle to conduct out-of-the-office business including parking costs. According to the City of Milpitas SOP 6-1, Section 2d, "Mileage reimbursement shall be at the rate as set by the Internal Revenue Code and shall be reimbursed for the distance between home and destination or work and destination, whichever is less." Please call the Finance Department or refer to the current IRS Publication 535 for the mileage rate.

**Tuition Reimbursement** – Amount reimbursed by the City of Milpitas to any employee qualifying for tuition reimbursement, based upon the City's policy. Please refer to the Memorandum of Understanding of each bargaining unit.

## Commissions & Boards

**Conference Expenses** – For COMMISSIONS and BOARDS USE ONLY. This is for conference related expenses.

**Non-Conference Expenses** – For COMMISSIONS and BOARDS USE ONLY. This is for nonconference related expenses.

## Insurance, Settlements & Miscellaneous

**Liability** – Payments of insurance premiums for general liability coverage, public official bond, administrative and property coverage.

**Uncollectible Accounts** – Portion of a receivable not expected to be collected.

**Collection Fees** – Fees paid to a collection agent (bureau) for collecting monies owed the City from unpaid receivables. The fees are usually based on a percentage of the collected total amount.

**Unanticipated Expenditures Reserve** – Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, unsettled disputed claims. Includes reserve 1% of the General Fund Budget per the budget resolution, adjusted annually.

**Loss on Sale** – Records the loss incurred on sale of property or equipment.

## Depreciation and Amortization

**Depreciation & Amortization** – Depreciation is the portion of the cost of a fixed asset charged as an expense during a particular period. Amortization is the portion of the cost of a limited-life or intangible asset charged as an expense during a particular period.

## Adjustment - Service and Supplies

**Reduced Funding** – Budget amount to account for reduced funding.



## ***Debt Service***

### **Principal**

Expenditures for periodic principal maturities of general obligation bonds or payments of principal on general long-term debt other than bonds.

**Retirement of Principal** – Payments of Bond Principal.

**Principal – COP** – Payments of Bond Principal - Certificate of Participation.

**Principal – Advance** – Payments of other debt principal - Advanced fund.

### **Interest**

Periodic interest on general obligation bonds or interest payments on general long-term debt other than bonds.

**Interest Expense** – Bond interest payments.

**Interest – COP** – Bond interest payments - Certificate of Participation

**Interest – Advance** – Other debt interest payments-Advanced fund.

### **Contractual Obligation**

Fiscal Agent's fees are payments made to financial institutions for services rendered in paying interest and redeeming debt at maturity.

**Cost of Issuance** – Payments to bond underwriters, legal fees and other costs associated with bond issuance.

### **Premium-Bond Prepayment**

**Premium-Bond Prepayment** – Fees (redemption premium) paid for early bond call (bond or any portion of its principal redeemed and paid in advance of maturity).

## ***Capital Improvements***

### **Capital Improvements**

**Capital Improvements** – Expenditures for the acquisition or construction of major capital facilities that do not fall under any of the Capital Outlay > \$5,000 categories. This is usually the accumulation of the Capital Improvement Project's (CIP) expenditures by phase. Though CIPs expenditures are coded in detail, the result rolls up to this account by phase.

## ***Capital Outlay > \$5,000***

### **Capital Outlay > \$5,000**

Items to be recorded to the object and detail codes under this category should have acquisition cost of \$5,000 or more per unit and have a useful life of two or more years. Acquisition cost means the net invoice unit price of an item including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight, and installation; and, extended warranties when purchased at the time of the equipment can be included in the acquisition cost. Please see FIXED ASSETS INVENTORY CONTROL and CAPITALIZATION POLICY, also.

## Land

**Land** – Purchase price plus legal and title fees, professional fees, surveying fees, site preparation cost, and/or any cost incurred to place land in condition for its intended use.

## Land Improvements

**Land Improvements** – Permanent improvements, other than buildings, that add value or useful life to land. Examples are parking lot, fence and gates, retaining walls, fountains, swimming pools, tennis courts, trails and paths.

## Buildings and Improvements

**Buildings and Improvements** – Permanent structures purchased or otherwise acquired by the City. Includes the principal amount of capital lease payments resulting in the acquisition of the building. Payments to building authorities or similar agencies are not to be included in the acquisition cost. The category includes improvements to buildings owned by the City of Milpitas. Examples are additional installation of heating and ventilating systems, and installation of fire protection system.

## Infrastructure

**Infrastructure** – Public domain capital assets includes roads, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, landscape systems, storm systems and traffic systems.

## Vehicles

**Vehicles** – Equipment used to transport persons or objects. Cost includes transportation charges, sales tax, installation costs and extended maintenance or warranty contracts, if purchased at the same time of the equipment. Examples are police cars, fire trucks, and maintenance trucks. Accessories and installation costs can be included if done during the purchase or within 30 days after the purchase of the vehicle.

## Capitalized Leases

**Capitalized Leases** – Principal lease payments for land, building, and/or equipment that will be acquired or subject for ownership within the term of the lease or at the end of the lease. Once acquired, it will be reclassified as land, building, or equipment. Lease contract usually has a clause indicating the option to buy.

## Machinery and Equipment

**Machinery and Equipment** – Any single machinery or equipment except vehicles and computer hardware and software, with an acquisition cost of \$5,000 or more per unit and have a useful life of two or more years. Examples of machinery and equipment are printing press, lathe machines, drill presses and movable generators.

**Computer Hardware** – Example is a server.

**Computer Software** – Examples are the Accounting Software being utilized by the City of Milpitas Finance Department and the Best Fixed Assets system.

## Furniture and Fixtures

**Furniture and Fixtures** – Office furniture and building fixtures.

## Adjustments - Capital Improvement Program (CIP)

**Adjustments - CIP** – Account being used to record year-end CIP adjustments in accordance to the Generally Accepted Accounting Principles (GAAP) to reclassify CIP capital expenditures to the Fixed Assets.

### ***Capital Outlay < \$5,000***

#### **Capital Outlay < \$5,000**

In addition to the fixed asset categories above, the City of Milpitas performs a risk assessment on City assets to identify those at risk or vulnerable to loss. Items that have a unit acquisition cost of less than \$5,000 but are vulnerable to loss is to be recorded to the following detail codes. Items that are not falling under the categories below should be charged to supplies categories.

#### **Office Furniture and Fixtures**

**Office Furniture and Fixtures** – Examples are chair, table, dividers and workstations.

#### **Machinery and Equipment**

**Machinery and Equipment** – Examples are fax machines, firearms, weapons, and defibrillators.

**Computer Hardware** – Examples are desktop computers, laptops, printers, and scanners.

**Computer Software** – Examples are application and utility programs such as Microsoft Windows programs.

**Electronic Equipment** – Examples are cell phones, radios, PDAs, digital cameras, and televisions.

#### **Hydrants and Meters**

**Hydrants and Meters** – Cost of fire hydrants and water meters.

## List of Funds

### 100 General Fund

- 100 General Fund
- 103 1452 S. Main
- 104 Cable Rebate
- 105 Abandon Vehicle Abatement
- 106 Short Term Disability
- 109 Utility Rate Assistance
- 130 Private Jobs Developer Deposit
- 150 Redevelopment Administration

### 200 Special Revenue Funds

- 211 Hetch Hetchy Ground Lease
- 213 Public Art Fund-Nonrestricted
- 214 Community Planning Fund
- 215 Community Benefit Fund
- 216 Affordable Hsng Community Benefit
- 217 Affordable Hsng Unrestricted Fund
- 221 Gas Tax Fund
- 222 Measure B
- 225 SB1 Road Maintenance & Rehabilitation
- 235 95-1 Light & Landscape Maint Dist.
- 236 98-1 Light & Landscape Maint Dist.
- 237 2005 Community Facility Dist
- 238 2008 Community Facility Dist
- 250 HCD Fund
- 251 HCD Loan
- 261 Supplemental Law Enforcement S
- 262 State Asset Seizure
- 263 Federal Asset Seizure
- 267 Federal Grant Police
- 268 State Grant Police
- 269 Fire Grant
- 280 Solid Waste Services
- 295 Housing Authority Fund

### 300 Capital Projects Funds

- 310 Street Improvement Fund
- 311 Street CIP
- 312 Traffic Impact Fees
- 313 Traffic Congestion Relief

### 300 Capital Projects Funds (cont)

- 314 Vehicle Registration Fee
- 315 Calaveras Widening Impact Fee
- 316 Montague Widening Impact Fee
- 317 Milpitas Business Pk Impact Fe
- 320 Park Improvement Fund
- 321 Park Improvement CIP
- 322 Midtown Park Fund
- 330 General Government
- 331 General Government CIP
- 334 2020 Fire Station Bonds
- 340 Storm Drain Development CIP
- 341 Storm Drain Project Fund
- 342 Storm Drain General Fund
- 350 Transit Area Impact Fee Fund
- 351 Transit Area CIP
- 352 Piper Montague Infrastructure

### 400 Enterprise Funds

- 400 Water M & O Fund
- 401 Water CIP
- 402 Water Line Extension Fund
- 403 2019 Water Bonds
- 405 Water Infrastructure Replacement
- 406 Recycled Water Fund
- 450 Sewer M & O Fund
- 451 Sewer CIP
- 452 Treatment Plant Construction Fund
- 453 2017 Sewer Refunding Bonds
- 454 2019 Sewer Bonds
- 455 Sewer Infrastructure Replacement

### 500 Internal Service Funds

- 500 Equipment Replacement Fund
- 505 Information Technology Replacement
- 506 Permit Automation Fund

### 930 Successor Agency

- 930 Successor Agency

## List of Departments / Divisions / Functions

### 1 City Manager

- 10 City Council
  - 100 City Council
- 11 City Manager
  - 111 City Manager
  - 114 City Clerk
  - 116 Economic Development

### 2 City Attorney

- 12 City Attorney
  - 120 City Attorney

### 3 Finance

- 30 Finance Administration
  - 300 Finance Administration
- 31 Finance Operations
  - 310 Finance Operations
  - 323 Fiscal Services

### 4 Public Works

- 42 Public Works
  - 400 Public Works Administration
  - 421 Street Maintenance
  - 422 Utility Engineering
  - 423 Utility Maintenance
  - 424 Park Maintenance
  - 425 Trees & Landscape Maintenance
  - 426 Fleet Maintenance
  - 427 Facilities Maintenance
  - 428 Compliance
  - 430 Solid Waste

### 5 Planning

- 51 Planning
  - 512 Planning
  - 513 Long Range Planning

### 6 Recreation and Community Services

- 45 Recreation and Community Services
  - 161 Recreation Administration
  - 162 Senior Services
  - 164 Youth Program
  - 167 Special Events
  - 168 Marketing
  - 169 Performing Arts
  - 170 General Classes
  - 171 Aquatics
  - 172 Sports & Fitness
  - 175 Social Services

### 7 Police

- 70 Police Administration
  - 700 Police Administration
- 71 Technical Services
  - 711 Records
  - 712 Personnel & Training
  - 713 Communications
- 72 Field Services
  - 721 Patrol Services
  - 722 Traffic
  - 723 Crossing Guards
- 73 Special Operations
  - 714 Community Relations
  - 724 Investigations

### 8 Fire

- 80 Fire Administration
  - 801 Fire Administration
- 81 Operations Division
  - 812 Operations
- 82 Prevention Division
  - 821 Fire Prevention Administration
  - 822 Fire Prevention
- 83 Training, Emergency Medical Services, & Safety
  - 801 Fire Administration
  - 814 EMS Transport Services
- 84 Office of Emergency Services
  - 840 Office of Emergency Management

## List of Departments / Divisions / Functions

### 11 Information Technology

- 14 Information Technology
- 112 Information Technology

### 12 Human Resources

- 15 Human Resources
- 115 Human Resources

### 13 Building Safety and Housing

- 53 Building Safety and Housing
  - 531 Building Inspection
  - 532 Plan Review
  - 533 Building Safety and Housing Administration
  - 534 Permit Center
  - 536 Housing and Neighborhood Svcs
  - 551 Housing

### 14 Engineering

- 41 Engineering
  - 411 Engineering Administration
  - 412 Design & Construction
  - 413 Land Development
  - 415 Traffic Engineering

### 9 Non-Departmental

- 91 Non-Departmental
  - 910 Non-Departmental
- 92 Debt Service
  - 920 Debt Service
- 93 Equipment to be Depreciated
  - 930 Equipment to be Depreciated
- 94 Properties Management
  - 941 1432 S. Main
  - 942 1452 S. Main
- 95 Other Functions
  - 951 Capital Improvement Projects
- 99 Transfers
  - 991 Transfers
  - 992 Transfers (Intrafund)

## List of Revenues

### 300 Property Taxes

- 3010 Secured & Unsecured
  - 3011 Current- Secured Property Taxes
  - 3012 Current-Unsecured Property Tax
- 3020 Property Taxes-Prior
  - 3021 Prior-Secured Property Taxes
  - 3022 Prior-Unsecured Property Taxes
- 3521 Homeowners Property Tax Relief
- 3531 Property Tax, Supplemental
- 3013 Property Tax-VLF
  - 3013 Property Tax-VLF
- 3014 Property Tax-ERAF
  - 3014 Property Tax-ERAF
- 3051 RPTTF Distribution
  - 3051 RPTTF Distribution

### 305 Sales Taxes

- 3110 Sales and Use Tax
  - 3110 Sales and Use Tax
  - 3111 Public Safety Sales and Use Tax
  - 3113 Sales Tax - Measure F

### 310 Transient Occupancy Tax

- 3150 Transient Occupancy Tax
  - 3151 Holiday Inn & Suite
  - 3152 Embassy Suites
  - 3153 Crowne Plaza
  - 3154 Sheraton
  - 3155 Best Western Brookside
  - 3156 Larkspur Landing
  - 3157 Park Inn
  - 3158 Audited T O T
  - 3160 Executive Inn
  - 3161 Days Inn
  - 3162 Extended Stay of America
  - 3163 Hampton Inn - Milpitas
  - 3164 Hilton Garden Inn
  - 3165 Homestead Village
  - 3166 Marriott Courtyard
  - 3167 Milpitas Travelodge

- 3150 Transient Occupancy Tax (cont)
  - 3168 Sonesta Silicon Valley
  - 3169 Residence Inn by Marriott
  - 3170 Best Value Inn
  - 3171 Towneplace
  - 3172 Stay Bridge Suites
  - 3173 Synergy Corporate Housing
  - 3174 Holiday Inn
  - 3175 Short Term Rentals (STRs)
  - 3176 Spring Hill Milpitas
  - 3177 Element Milpitas

### 313 Franchise Fees

- 3131 Electric Franchise
  - 3131 Electric
- 3132 Gas Franchise
  - 3132 Gas
  - 3137 Nitrogen Gas
- 3133 Garbage Franchise
  - 3133 Garbage - Commercial
  - 3134 Garbage - NonComm - Resi
  - 3135 Garbage - Multi Family
  - 3136 Garbage - Debris Box
  - 3139 County-wide AB 939 Fee
- 3138 Cable TV Franchise
  - 3138 Cable TV

### 315 Other Taxes

- 3120 Other Taxes
  - 3120 Real Estate Transfer Tax
  - 3140 Business License Tax
  - 3511 Motor Vehicle in-Lieu
  - 3549 Sec 2032 - RM&R
- 3540 Gas Tax
  - 3543 Sec 2103-Gas Tax
  - 3545 Sec 2105-Gas Tax
  - 3547 Sec 2107-Gas Tax
  - 3548 Sec 2107.5-Gas Tax



## List of Revenues

### 320 Licenses, Permits & Fines

- 3210 Building Permit & Inspection Fees
  - 3210 Building Permits
  - 3213 After Hours Inspection
  - 3214 Re-Inspection
  - 3215 Dedicated Building Services
  - 3216 Mobile Home Inspections
  - 3218 Building Investigation
  - 3219 Building Misc Fees & Permits
- 3217 Building Plan Review Fees
  - 3211 Plan Review Revisions
  - 3212 After Hours Plan Review
  - 3217 Plan Review
- 3220 Fire Permit & Inspection Fees
  - 3220 Haz. Materials Const Permit/In
  - 3221 Life Safety Const. Permit/Insp
  - 3250 Fire Inspections
  - 3251 Building Standards/Life Safety
  - 3252 Fire Expedited PC/Inspections
- 3240 Fire Annual Permit & Inspection Fees
  - 3222 Haz. Materials Annual Permit/I
  - 3223 Fire Penalties
  - 3240 Life Safety Annual Permits/Ins
- 3260 Other Licenses & Permits
  - 3261 Animal Licenses
- 3300 Fines & Forfeits
  - 3301 Vehicle Code Fines
  - 3302 Other Court Fines
  - 3304 Hazardous Materials Fines
  - 3305 Booking Fees
  - 3306 NBO Violation Fees
  - 3307 Impound Fees
  - 3308 Animal Violations
  - 3309 False Alarm Fee
  - 3310 Fire Administrative Citation
  - 3311 Building Admin Citation
  - 3312 Planning Admin Citation
  - 3313 PW Municipal Code Fines
  - 3321 Urban Runoff Fines

### 340 Use of Money & Property

- 3430 Investment Interest
  - 3431 Pooled Interest (nonallocation)
  - 3432 Cash with Fiscal Agents
  - 3433 Other Interest Income
  - 3434 Pooled Interest (allocation)
- 3435 Gain/Loss on Investments
  - 3435 Gain/Loss on Sale of Investments
  - 3437 Gain on Bond Refunding
- 3436 Year End Market Value Adj
  - 3436 Market Value Gain/Loss on Inv
- 3770 Sale of Property, Plant and Equipment
  - 3770 Sale of Property, Plant and Equip.
  - 3771 Fire Safe Program
  - 3772 Police Abandon Properties

### 350 Intergovernmental Revenue

- 3550 Federal Contributions
  - 3551 Federal Contri-General Gov
  - 3553 Federal Contri-Building
  - 3554 Federal Contri-Public Works
  - 3555 Federal Contri-Engineering
  - 3556 Federal Contri-Recreation
  - 3557 Federal Contributions-Police
  - 3558 Federal Contributions-Fire
  - 3559 Federal Contri - Planning
- 3560 State Contributions
  - 3561 State Contr-General Government
  - 3562 POST Grant
  - 3563 State Contributions-Building
  - 3564 State Contri-Public Works
  - 3565 State Contri-Engineering
  - 3566 State Contribution-Recreation
  - 3567 State Contribution-Police
  - 3568 State Contribution-Fire
  - 3569 State Contributions - Planning
- 3570 County Contributions
  - 3571 County Con-General Government
  - 3572 South Bay Water Recycling Prog

## List of Revenues

- 3570 County Contributions (cont)
  - 3573 County Contribution-Building
  - 3574 County Contribution-PW
  - 3575 County Cont-Engineering
  - 3576 County Contribution-Recreation
  - 3577 County Contribution-Police
  - 3578 County Contribution-Fire
  - 3579 County Contributions-Planning
- 3580 Other Restricted Grants
  - 3581 Other Res Grants-General Govt.
  - 3582 SB90 Grant
  - 3583 Other Res Grants-Building
  - 3584 Other Res Grant -PW
  - 3585 Other Res Grant-Engineering
  - 3586 Other Restri Grants-Recreation
  - 3587 Other Restri Grants-Police
  - 3588 Other Restri Grants-Fire
  - 3589 Other Restri Grants-Planning
- 3590 Misc. Unrestricted Intergovernmental
  - 3591 Mis Unrestricted Intergovernmental

### 360 Charges For Services

- 3600 General Government
  - 3601 General Govern Service Charges
  - 3602 Sale of Maps and Documents-GG
  - 3603 Rent, Lease & Concession-GG
  - 3604 Business License Procng Fee
  - 3608 PJ Legal Overhead Charges
  - 3609 PJ Legal Reimbursement
- 3610 Engineering Services
  - 3611 PJ Overhead Charges-Eng
  - 3612 PJ Labor Reimbursement-Eng
  - 3613 PJ Vendor Reimbursement-Eng
  - 3615 Engineering Fees
  - 3616 Engr Plan Check Fees
  - 3618 Sales of Maps and Doc-Engr
  - 3619 Rent,Lease & Concession-Engr
- 3620 Public Works Services
  - 3621 Public Works Service Charges
  - 3622 Public Works Cost Recovery

- 3630 Fire Services
  - 3631 PJ Overhead Charges - Fire
  - 3632 PJ Labor Reimb - Fire
  - 3633 Fire Cost Recovery
  - 3634 Fire Unwanted Alarms
  - 3635 Fire Enforcement Penalties
  - 3636 Fire Enforcement-Training
  - 3637 Fire Service Charges
  - 3638 Fire Sales of Maps & Document
  - 3639 Fire Electronic Archive Chg
  - 3691 Fire GIS Mapping
  - 3692 Fire Automation Fee
  - 3693 Fire-Rent, Lease & Concess
  - 3694 Ambulance Services
- 3640 Police Services
  - 3641 Police Service Charges
  - 3643 Fingerprints
  - 3644 Sales of Maps and Document-Pol
  - 3645 Police Cost Recovery
  - 3646 Rent, Lease and Concession-Pol
  - 3647 DUI-Police Cost Recovery
  - 3648 PJ Overhead Charges - Police
  - 3649 PJ Labor Reimb - Police
- 3650 Recreation Services
  - 3651 Rent,Lease and Concession-Recr
  - 3652 Recreation Fees
  - 3653 Senior Nutrition Fees
  - 3654 Contract Classes
  - 3655 Sales of Merchandise Rec
  - 3656 Recreation Transaction Fee
  - 3657 Special Event Fees
  - 3658 Sale of Food
- 3660 Building Services
  - 3661 Sales of Documents-Building
  - 3662 Records Retention Fee-Building
  - 3663 Building Service Charges
  - 3664 Overhead Charges Reimbursement
  - 3665 PJ Overhead Charges - Building
  - 3666 PJ Labor Reimb - Building
  - 3667 Building State Mndatd Stds Fee

## List of Revenues

- 3670 Utility Charges
  - 3671 Water Meter Charge
  - 3672 Water Consumption
  - 3673 Irrigation Meter Charge
  - 3674 Irrigation Consumption
  - 3675 Fire Line Meter Charge
  - 3676 Fire Line Consumption
  - 3677 Recycle Meter Charge
  - 3678 Recycle Consumption
- 3680 Planning Services
  - 3617 Planning Fees
  - 3681 PJ Overhead Charges - Planning
  - 3682 PJ Labor Reimb - Planning
  - 3683 PJ Vendor Reimb - Planning
  - 3684 Sales of Maps and Doc-Planning
  - 3685 Housing & Neighborhood Svcs
  - 3686 Planning Plan Check Fee
  - 3687 Animal Control Services Fee

### 370 Miscellaneous Revenue

- 3710 Development
  - 3710 Development
  - 3711 Storm Drain Connection Fees
  - 3712 Park Development Fees
  - 3713 Sewer Permit Fees
  - 3714 Treatment Plant Fees
  - 3715 Connection Fees
  - 3716 Fire Hydrant Fees
  - 3717 Encroachment Permit Fees
  - 3718 Impact Fees
- 3760 Developer Contribution
- 3761 Contribution-Equipment

- 3720 Special Assessments
  - 3720 Special Assessments
  - 3721 Special Assessments Pre-Pmt
- 3730 Recycling
  - 3730 Recycling
- 3740 Reimbursements
  - 3741 Repayment
  - 3742 Principal
  - 3743 Interest Income
  - 3744 Advance-Principal Repayment
  - 3745 Advance-Interest Earnings
  - 3746 HAZMAT Incidents
- 3750 Donations
  - 3750 Donations
- 3790 Miscellaneous Other Revenue
  - 3791 Cash Over/(Short)
  - 3792 Clearing, Various
  - 3799 Miscellaneous Other Revenue

### 390 Other Financing Sources

- 3970 Bond Proceeds
  - 3970 Bond Proceeds
- 3980 Other Financing Sources
  - 3980 Other Financing Sources
  - 3981 Contributions-Proprietary Fund
  - 3982 Capital Leases
  - 3983 Pmnt to Refunded Bond Escrow A
  - 3985 Extraordinary Item
  - 3982 Capital Leases
  - 3983 Pmnt to Refunded Bond Escrow A
  - 3985 Extraordinary Item

## List of Expenditures

### 410 Personnel Services

- 4110 Wages
  - 4111 Permanent
  - 4112 Temporary
  - 4113 Overtime
  - 4114 Reimbursable Overtime
  - 4143 Charged to CIPs
- 4120 Allowances/Leaves
  - 4121 Allowances
  - 4122 Standby Pay MEA
  - 4124 Leave Cashout
  - 4125 Accrued Leave
  - 4126 Meal Stipend MEA
- 4130 Benefits
  - 4131 PERS
  - 4132 Group Insurance
  - 4133 Medicare-Employer's Contributi
  - 4135 Worker's Compensation
  - 4136 Unemployment
  - 4137 MOU Contractual Agreements
  - 4138 Deferred Comp-Employer Contrib
  - 4139 PARS
- 4140 Adjustments - Payroll
  - 4141 Adjustments-Payroll
  - 4142 Vacancy Factor
  - 4146 Short Term Disability
  - 4151 Compensation Reduction
  - 4152 Employee Pay PERS Contribution
  - 4198 Overhead-PJ's Contractual Labo
  - 4199 Overhead-Payroll
- 4160 Retiree Benefits
  - 4161 Retiree Medical Reserve
  - 4162 Retiree Medical Payment
  - 4163 Retiree Medical Reimbursement
- 4170 Pension Expense
  - 4171 Pension/OPEB Expense
  - 4172 OPEB Expense

### 420 Services and Supplies

- 4200 Community Promotion, Grant/Loan
  - 4201 Community Promotions
  - 4202 Com Promotions-CC Allocated
  - 4203 Com Prom-CC Unallocated
  - 4204 Cultural Arts Grants
  - 4205 Miscellaneous Grants
  - 4206 Sports Grants
  - 4207 Housing Loans
  - 4208 CDBG Grants
  - 4209 Miscellaneous Loans
- 4210 Department Allocations
  - 4211 Equipment Replacement Amortization
  - 4212 Vehicle Lease Charges
- 4220 Supplies
  - 4221 Office Supplies
  - 4223 Departmental Supplies
  - 4224 Maintenance Supplies
  - 4225 Health & Safety Supplies
  - 4226 Senior Nutrition Food Supplies
- 4230 Services
  - 4231 Advertising
  - 4232 Blueprinting
  - 4237 Contractual Services
  - 4238 Contractual Servs-PJ's Labor
  - 4239 Audit Fees
  - 4244 Senior Nutrition Non-Food
- 4240 Repair & Maintenance
  - 4241 Repair & Maintenance
  - 4242 Rents & Leases
- 4250 Legal Services
  - 4252 Retainers & Fees
  - 4253 Plan JPA Attorney's Fees
  - 4254 Plan JPA Settlements
  - 4255 Litigation
  - 4256 Liability IBNR Adjustment
- 4280 Elections
  - 4280 Elections

## List of Expenditures

|      |  |  |   |
|------|--|--|---|
| 4410 | Communications                         | 4600                                   | Insurance, Settlements & Miscellaneous (cont) |
| 4411 | Phone-Local                            | 4650                                   | Loss on Sale                                  |
| 4412 | Computer Data Lines                    | 4660                                   | Other Miscellaneous and Correc                |
| 4415 | Pagers                                 | 4630                                   | Depreciation & Amortization                   |
| 4416 | Cellular Phones                        | 4630                                   | Depreciation & Amortization                   |
| 4417 | Fire Alarms                            |  |   |
| 4418 | Police Alarms                          |  |   |
| 4420 | Utilities                              | <b>470 Debt Service</b>                |   |
| 4421 | Utilities-Gas                          | 4700                                   | Principal                                     |
| 4422 | Utilities-Electric                     | 4701                                   | Retirement of Principal                       |
| 4423 | Utilities - Water                      | 4702                                   | Principal - COP                               |
| 4426 | Utilities - Solid Waste                | 4703                                   | Principal - Advance                           |
| 4430 | Utilities - Water Purchase             | 4710                                   | Interest                                      |
| 4424 | SFWD, Wholesale Water Purch.           | 4711                                   | Interest Expense                              |
| 4425 | SCVWD, Wholesale Water Purch.          | 4712                                   | Interest - COP                                |
| 4427 | Recycled Water Purchase                | 4713                                   | Interest - Advance                            |
| 4440 | Treatment Plant                        | 4720                                   | Contractual Obligation                        |
| 4428 | Treatment Plant, Capital               | 4720                                   | Contractual Obligation                        |
| 4429 | Treatment Plant, M & O                 | 4721                                   | Cost of Issuance                              |
| 4500 | Training, Travel, & Memberships        | 4730                                   | Premium-Bond Prepayment                       |
| 4501 | Memberships & Dues                     | 4730                                   | Premium-Bond Prepayment                       |
| 4502 | Professional Licensing                 |  |   |
| 4503 | Training and Registration              | <b>480 Capital Improvements</b>        |   |
| 4505 | Lodging/Travel                         | 4800                                   | Capital Improvements                          |
| 4506 | Meals for Meetings                     | 4800                                   | Capital Improvements                          |
| 4507 | Per Diem                               |  |   |
| 4508 | Mileage Reimbursement/Parking          | <b>485 Capital Outlay &gt; \$5,000</b> |   |
| 4509 | Tuition Reimbursement                  | 4810                                   | Land  |
| 4520 | Commissions & Boards                   | 4811                                   | Land  |
| 4521 | Conference Expenses                    | 4820                                   | Land Improvements                             |
| 4522 | Non-Conference Expenses                | 4821                                   | Land Improvements                             |
| 4600 | Insurance, Settlements & Miscellaneous | 4830                                   | Buildings and Improvements                    |
| 4602 | Liability Insurance                    | 4831                                   | Buildings and Improvements                    |
| 4603 | Settlements                            | 4840                                   | Infrastructure                                |
| 4610 | Uncollectible Accounts                 | 4841                                   | Infrastructure                                |
| 4611 | Collection Fees                        | 4850                                   | Vehicles                                      |
|      |  | 4851                                   | Vehicles                                      |
| 4640 | Unanticipated Expenditure Reserve      |  |   |

## List of Expenditures

|            |                                    |  |  |
|------------|------------------------------------|--|--|
| 4860       | Capitalized Leases                 |  |  |
| 4864       | Capitalized Leases                 |  |  |
| 4865       | Capital Lease Interest             |  |  |
| 4870       | Machinery & Equipment              |  |  |
| 4873       | Machinery & Equipment              |  |  |
| 4874       | Computer Hardware                  |  |  |
| 4875       | Computer Software                  |  |  |
| 4880       | Furniture and Fixtures             |  |  |
| 4881       | Furniture and Fixtures             |  |  |
| 4890       | Adjustments CIP                    |  |  |
| 4891       | Adjustments-CIP-Addition           |  |  |
| 4892       | Adjustments-CIP-Deletion           |  |  |
| 4893       | Adjustments-CIP-Transfer           |  |  |
| 4894       | Adjustments-CIP-LTD                |  |  |
| <b>490</b> | <b>Capital Outlay &lt; \$5,000</b> |  |  |
| 4910       | Office Furniture & Fixtures        |  |  |
| 4911       | Office Furniture & Fixtures        |  |  |
| 4920       | Machinery, Tools & Equipment       |  |  |
| 4921       | Machinery, Tools & Equipment       |  |  |
| 4922       | Computer Hardware                  |  |  |
| 4923       | Computer Software                  |  |  |
| 4924       | Electronic Equipment               |  |  |
| 4930       | Hydrants & Meters                  |  |  |
| 4931       | Hydrants                           |  |  |
| 4932       | Meters                             |  |  |

## Abbreviations and Acronyms

|                 |   |
|-----------------|---|
| <b>AB</b>       | Assembly Bill                                   |
| <b>ABAG</b>     | Association of Bay Area Governments             |
| <b>ADA</b>      | Americans with Disabilities Act                 |
| <b>ALS</b>      | Advanced Life Support                           |
| <b>AMR</b>      | American Medical Response                       |
| <b>AP</b>       | Accounts Payable                                |
| <b>AR</b>       | Accounts Receivable                             |
| <b>ARRA</b>     | American Recovery and Reinvestment Act          |
| <b>AuthFTE</b>  | Authorized Full-Time Equivalent positions       |
| <b>AVASA</b>    | Abandoned Vehicle Abatement Service Authority   |
| <b>A / V</b>    | Audio/Visual Equipment                          |
| <b>BAAQMD</b>   | Bay Area Air Quality Management District        |
| <b>BART</b>     | Bay Area Rapid Transit                          |
| <b>CAD</b>      | Computer Aided Dispatch                         |
| <b>CSA</b>      | City Service Area                               |
| <b>Caltrans</b> | California Department of Transportation         |
| <b>CAPER</b>    | Consolidated Annual Plan & Performance Eval Rpt |
| <b>CATV</b>     | Cable Television                                |
| <b>CCPI</b>     | California Consumer Price Index                 |
| <b>CDBG</b>     | Community Development Block Grant               |
| <b>CEQA</b>     | California Environmental Quality Act            |
| <b>CERBT</b>    | California Employers' Retiree Benefit Trust     |
| <b>CIP</b>      | Capital Improvement Program                     |
| <b>CIT</b>      | Counselor in Training Program                   |
| <b>CMAS</b>     | California Multiple Awards Schedule             |
| <b>CMO</b>      | City Manager's Office                           |
| <b>CO</b>       | Certificate of Occupancy                        |
| <b>COBRA</b>    | Consolidated Omnibus Budget Reconciliation Act  |
| <b>COMPST</b>   | Computerized Statistics                         |
| <b>COPs</b>     | Certificates of Participation                   |
| <b>COPS</b>     | Community Oriented Policing Services            |
| <b>CPI</b>      | Consumer Price Index                            |

|                |   |
|----------------|---|
| <b>CPR</b>     | Cardio-Pulmonary Resuscitation            |
| <b>CRS</b>     | Community Rating System                   |
| <b>CSA</b>     | City Service Area                         |
| <b>EMD</b>     | Emergency Medical Dispatch                |
| <b>EMS</b>     | Emergency Medical Service                 |
| <b>EMT</b>     | Emergency Medical Technician              |
| <b>EOC</b>     | Emergency Operations Center               |
| <b>EPA</b>     | Environmental Protection Agency           |
| <b>EPC</b>     | Emergency Preparedness Commission         |
| <b>ERAF</b>    | Educational Revenue Augmentation Fund     |
| <b>FBI</b>     | Federal Bureau of Investigation           |
| <b>FEHA</b>    | Fair Employment and Housing Act           |
| <b>FEMA</b>    | Federal Emergency Management Admin        |
| <b>FICA</b>    | Federal Insurance Contributions Act       |
| <b>FMLA</b>    | Family Medical Leave Act                  |
| <b>FPPC</b>    | Fair Political Practices Commission       |
| <b>FTA</b>     | Federal Transit Authority                 |
| <b>FTE</b>     | Full-Time Equivalent                      |
| <b>FY</b>      | Fiscal Year                               |
| <b>GAAP</b>    | Generally Accepted Accounting Principles  |
| <b>GASB</b>    | Governmental Accounting Standards Board   |
| <b>GFOA</b>    | Government Finance Officers Association   |
| <b>GIS</b>     | Geographic Information System             |
| <b>GPS</b>     | Global Positioning System                 |
| <b>Haz Mat</b> | Hazardous Materials                       |
| <b>HCD</b>     | Housing and Community Development         |
| <b>HMO</b>     | Health Maintenance Organization           |
| <b>HR</b>      | Human Resources                           |
| <b>HUD</b>     | U.S. Housing and Urban Development        |
| <b>HVAC</b>    | Heating8 Ventilating and Air Conditioning |
| <b>I</b>       | Interstate                                |
| <b>ICMA</b>    | Intern'l City/County Mgmt Association     |
| <b>IT</b>      | Information Technology                    |
| <b>IVR</b>     | Integrated Voice Recognition              |
| <b>JPA</b>     | Joint Power Authority                     |



|                  |   |
|------------------|---|
| <b>LAFCO</b>     | Local Agency Formation Commission           |
| <b>LED</b>       | Light-Emitting Diode                        |
| <b>LIUNA</b>     | Laborers' International Union of N. America |
| <b>LID</b>       | Local Improvement District                  |
| <b>LLEBG</b>     | Local Law Enforcement Block Grant           |
| <b>LLMD</b>      | Light & Landscape Maintenance District      |
| <b>M &amp; O</b> | Maintenance and Operation                   |
| <b>MEA</b>       | Milpitas Employees Association              |
| <b>MLS</b>       | Major League Soccer                         |
| <b>MOU</b>       | Memorandum of Understanding                 |
| <b>MUSD</b>      | Milpitas Unified School District            |
| <b>MVP</b>       | Milpitas Volunteer Program                  |
| <b>NAIOP</b>     | Nat Assoc of Industrial & Office Properties |
| <b>MLS</b>       | Major League Soccer                         |
| <b>MOU</b>       | Memorandum of Understanding                 |
| <b>MUSD</b>      | Milpitas Unified School District            |
| <b>MVP</b>       | Milpitas Volunteer Program                  |
| <b>NAIOP</b>     | Nat Assoc of Industrial & Office Properties |
| <b>NBO</b>       | Neighborhood Beautification Ordinance       |
| <b>NOVA</b>      | North Valley Private Industry Council       |
| <b>O&amp;M</b>   | Operating and Maintenance                   |
| <b>OES</b>       | Office of Environmental Services            |
| <b>OPA</b>       | Owner Participation Agreement               |
| <b>OPEB</b>      | Other Post-Employment Benefits              |
| <b>OSHA</b>      | Occupational Safety and Health Admin        |
| <b>PAL</b>       | Police Athletic League                      |
| <b>PAR</b>       | Performance Appraisal Report                |
| <b>PC</b>        | Planning Commission                         |
| <b>PCR</b>       | Police Community Relations                  |
| <b>PERS</b>      | Public Employees Retirement System          |
| <b>PLAN</b>      | Pooled Liability Assurance Network          |
| <b>POST</b>      | Peace Officers Standards and Training       |
| <b>PPO</b>       | Preferred Provider Organization             |
| <b>PRV</b>       | Pressure Reducing Valves                    |
| <b>PUC</b>       | Public Utility Commission                   |
| <b>RAP</b>       | Recreation Assistance Program               |

|                  |   |
|------------------|---|
| <b>R &amp; D</b> | Research and Development                    |
| <b>RDA</b>       | Redevelopment Agency                        |
| <b>RFP</b>       | Request for Proposal                        |
| <b>RPTT</b>      | Redevelopment Property Tax Trust Fund       |
| <b>RMS</b>       | Records Management System                   |
| <b>RWQCB</b>     | Regional Water Quality Control Board        |
| <b>SB</b>        | Senate Bill                                 |
| <b>SBDC</b>      | Small Business Development Center           |
| <b>SBWRP</b>     | South Bay Water Recycling Program           |
| <b>SAFE</b>      | Strategic Actions For Emergencies           |
| <b>SCVWD</b>     | Santa Clara Valley Water District           |
| <b>SEMS</b>      | Standardized Emergency Management           |
| <b>SERAF</b>     | Supplmntl Educ. Rev. Augmentation Fund      |
| <b>SFPUC</b>     | San Francisco Public Utilities Commission   |
| <b>SLETS</b>     | Sheriff's Law Enforcement Telecom System    |
| <b>SOP</b>       | Standard Operating Procedure                |
| <b>SV-ITS</b>    | Silicon Valley Intelligent Transportation   |
| <b>SVU</b>       | Silicon Valley Unwired                      |
| <b>SWAT</b>      | Special Weapons and Tactics                 |
| <b>TABs</b>      | Tax Allocation Bonds                        |
| <b>TAG</b>       | Technology Application Group                |
| <b>TIA</b>       | Traffic Impact Analysis                     |
| <b>TDM</b>       | Transportation Demand Management            |
| <b>TOT</b>       | Transient Occupancy Tax                     |
| <b>UBC</b>       | Uniform Building Code                       |
| <b>UCR</b>       | Uniform Crime Reports                       |
| <b>UFC</b>       | Uniform Fire Code                           |
| <b>VLF</b>       | Vehicle License Fee                         |
| <b>VTa</b>       | Santa Clara Valley Transportation Authority |
| <b>WMD</b>       | Weapons of Mass Destruction                 |
| <b>WPCP</b>      | Water Pollution Control Plant               |
| <b>YBA</b>       | Youth Basketball Association                |
| <b>YSB</b>       | Youth Services Bureau                       |
| <b>YTD</b>       | Year to Date                                |

## Glossary of Terms

**Accrual Basis** – A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

**Accomplishment** – Programs and activities successfully completed in the prior fiscal year.

**Agency Funds** – One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

**Appropriation** – An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

**Appropriations Limit** – Proposition 4 approved by the voters in 1980 limits the amount of money that cities may spend each year. This limit is set each year based on the amount that was appropriated in 1978-79 and adjusted each year for population growth and a cost-of-living factor.

**Assessed Valuation** – The value of real property and improvements, as determined by the County Assessor, against which the property tax levy is assessed.

**Asset** – Resources owned or held by a government that have a monetary value.

**Balanced Budget** – A balanced budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures.

**Bond** – A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

**Budget** – A plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them.

**Budgetary Basis** – This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

**Budget Calendar** – The schedule of key dates which government follows in preparation and adoption of the budget.

**Budgetary Integration** – The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of the available appropriations and resources. A system of controls to ensure and demonstrate budgetary compliance with uncommitted balance of appropriations (avoid overspending or over committing budget) and unrealized revenues (monitor on an ongoing basis to determine whether spending reductions are needed to keep the budget in balance).

**Building Permit Fee** – Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on valuation. Electrical or plumbing/mechanical work also requires a similar permit with an itemized fee schedule.

**Business License Tax** – A tax imposed upon businesses in the community. The fee is a flat rate plus a minimal charge per employee.

**California Employers' Retiree Benefit Trust (CERBT)** – A Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies.

**Capital Assets** – Assets of significant value and having a useful life of several years (the term fixed assets is also used).

**Capital Budget** – A plan of proposed capital expenditures and the appropriations to finance them. The capital budget is usually enacted as part of the complete annual budget that includes both an operating component and a capital component. The capital budget should be based on a capital improvement program (CIP) and is typically the first year of a multi-year CIP.

**Capital Improvement** – Projects which purchase or construct capital assets. Typically capital improvements include new street improvements, park development, the acquisition of land, major construction of public facilities, and major maintenance/repair projects such as street resurfacing or modifications to public facilities.

**Capital Improvement Program** – A comprehensive five-year plan of implementing proposed capital projects which identifies priorities as to need, cost, and method of financing during the next five years. The first year of the CIP is typically adopted as the current capital budget.

**Capital Projects Fund** – Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**Capital Outlay** – Expenditure for the acquisition of equipment for direct services with a useful life of two or more years and an acquisition cost of \$5,000 or more per unit (i.e. police vehicles, riding mowers, etc.). Capital Outlay is budgeted in the operating budget.

**Comprehensive Annual Financial Report** – The official annual financial report for the City. A Comprehensive Annual Financial Report is compiled by a state, municipal or other governmental accounting staff and audited by an external American Institute of Certified Public Accountants (AICPA) certified accounting firm utilizing Governmental Accounting Standards Board (GASB) requirements. It is composed of three sections: Introductory, Financial and Statistical. It combines the financial information of fund accounting and Enterprise Authorities accounting.

**Contractual Services** – Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements and professional consulting services.

**Debt Service** – Payment of interest and repayment of principal to holders of the City's debt instruments.

**Defeasance** – The legal release of a debtor from being the primary obligor under the debt, either by the courts or by the creditor.

**Department** – An organizational unit of government which is functionally unique in its delivery of services.

**Discount** – The difference between the cost of a security and its value at maturity when quoted at lower than face value.

**Effectiveness** – The degree to which an entity, program or procedure is successful at achieving its goals and objectives.

**Efficiency** – The degree to which an entity, program or procedure is successful at achieving its goals and objectives with the least use of scarce resources. Efficiency necessarily presupposes effectiveness.

**Encumbrances** – Commitments against an approved budget for unperformed (executed) contracts for goods and services. They cease to be encumbrances when the obligations are paid or otherwise terminated.

**Enterprise Fund** – Used to account for specific services, i.e. water and sewer, which are funded directly by fees and charges to external users.

**Equipment Charges** – Charges or "rental fees" charged to user departments to defray the cost of maintaining the equipment used and to replace the equipment when it exceeds its useful life.

**Expenditure** – The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

**Expense** – Charges incurred for operations, maintenance, interest or other charges.

**Fiduciary Fund** – The term is used when a governmental unit acts in a fiduciary capacity such as a trustee or agent. The government unit is responsible for handling the assets placed under its control.

**Final Budget** – The budget document adopted by resolution following the budget hearings in June of each year. The document formally incorporates any Council changes to the preliminary budget, resulting from the budget hearings.

**Fiscal Year** – The financial year for the City of Milpitas is July 1 through June 30 of the subsequent year.

**Fixed Assets** – Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture or other equipment.

**Franchise Fee** – A regulatory fee charged to utility companies for the privilege of doing business in the City of Milpitas, i.e. garbage franchise fee, gas and electric franchise fee, and nitrogen gas franchise fee.

**Function** – A discrete entity such as an organizational unit or groupings of interrelated programs within a department or division whose appropriations for salaries, services and supplies, and capital outlay can easily be subjected to analysis in the budget process.

**Fund** – An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

**Fund Balance** – Also known as financial position, fund balance is the excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other uses.

**Gas Tax** – Share of revenue derived from the State taxes on gasoline.

**Generally Accepted Accounting Principles (GAAP)** – The standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as Accounting Standards. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing, and in the preparation of financial statement.

**General Fund** – The main operating fund of the City.

**Government Accounting Standards Board (GASB)** – A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

**Governmental Funds** – Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

**Hotel/Motel Tax** – A transient occupancy (less than 30 days at a hotel or motel) tax imposed for general purposes. The tax is currently 14% of receipts.

**Infrastructure** – The physical assets of a government (i.e. streets, water and sewer systems, public buildings and parks).

**Interest** – Income resulting from the prudent investment of idle cash. The types of investments are controlled by the City's Investment Policy in accordance with the California Government Code.

**Internal Service Funds** – Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary government and its component units or to other governments on a cost-reimbursement basis.

**Legal Level of Budgetary Control** – The lowest level at which a government's management may not reallocate resources without special approval from the legislative body.

**Level of Service** – A description of the services provided, or activities performed, and the cost and personnel requirements.

**Line Item** – The description of an object of expenditure, i.e. salaries, supplies, contract services, etc.

**Materiality** – The magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstance, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. The objective of accountability in governmental financial reporting requires materiality to be judged in both a quantitative and qualitative manner (involves such issues as legal and contractual compliance).

**Modified Accrual Basis** – A basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and accumulated unpaid vacation, sick pay and other employee benefit amounts, which are recognized as expenditures to the extent they have matured.

**Motor Vehicle In Lieu** – A share of the revenue derived from registration fees charged by the State.

**Objective** – Program or activity intended to be implemented in the ensuing fiscal year.

**Operating Budget** – A financial plan for the provision of direct services and support functions.

**Overhead Charges** – A charge made to a developer account or the Redevelopment Agency to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account.

**Park Development Fee** – The fee paid by a developer or sub-developer for park or recreation purposes in lieu of the dedication of land.

**Performance Indicators** – Quantitative measures of accomplishments and objectives, sometimes known as workload/performance measures.

**Personnel Services** – Expenditures for salaries, wages and fringe benefits of a government's employees.

**Personnel Allotment** – List of full-time and part-time employees required to support a division or function, listed by their classification or title.

**Personnel Analysis** - Changes to personnel allotment from the previous fiscal year. Reorganizations, reclassifications and reallocation of resources are highlighted in this section.

**Prior-Year Encumbrances** – Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be an encumbrance when the obligations are paid or otherwise terminated.

**Property Tax** – A tax imposed on real property (land and permanently attached improvements) based upon the assessed value of the property. The tax rate may not exceed 1% of assessed value.

**Proposed Budget** – The budget document recommended by the City Manager that is approved as may be amended by the City Council during budget hearings. The hearings are held in May or June, and the approval of the Preliminary Budget gives spending authority effective each July 1st for the subsequent fiscal year.

**Proprietary Funds** – Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

**Recreation Fees** – Charges for services provided to participants of Community and Recreation Services' classes, activities, and recreational sports.

**Redevelopment** – The planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of real property, and the provision of such residential, commercial, industrial, public, or other structures appropriate to the general welfare of the City.

**Redevelopment Property Tax Trust Fund** – residual distributions of property tax revenue from dissolved Redevelopment Agency. The Redevelopment Agency is dissolved on 1/31/2012 due to ABX126.

**Rents and Concessions** – Charges for group rentals of City facilities.

**Reserves** – A savings account maintained for restricted use, i.e. self-insurance programs, capital improvement projects, or for unrestricted use to protect the City from emergencies or unanticipated expenditures.

**Revenue Analysis** – Departmental revenue sources are described. Revenue increases, decreases and strategies are highlighted in this section.

**Sales Tax** – The City receives one percent of the County's nine percent sales tax, and a ¼ cent Transaction & Use Tax (Measure F). Sales tax is one of the City's major general fund revenue sources.

**Section 115 Trust** – A grantor trust established by a governmental unit to set aside funds for paying future employee benefits such as pensions and Other Post-Employment Benefits (OPEB).

**Supplies and Contractual Services** – The category of line items that describe non-salary and non-capital outlay expenditures.

**Special Revenue Fund** – Used to account for revenue that is set aside for restricted use, e.g. gas tax receipts are set aside in such a fund to be used solely for street improvements.

**Supplemental Appropriation** – An additional appropriation made by the governing body after the budget year has started.

**Taxes** – Compulsory charges levied by a government for the purposes of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

**Transfers In/Out** – Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

**Unanticipated Expenditures Reserve** – A specific line item appropriation from which to distribute additional funds to decision units for salary increases resulting from employee contract negotiations and to pay for emergencies or unanticipated expenditures that from time to time arise during the course of a fiscal year.

**Unassigned Unrestricted Fund Balance** – Available expendable financial resources in a governmental fund that are not the object of tentative management plans.

**Working Capital** – Working Capital is a financial metric which represents operating liquidity available to a business, organization, or other entity, including governmental entity. Along with fixed assets such as plant and equipment, working capital is considered a part of operating capital.

**Workload/Performance Measures** – Quantitative measures of services provided, or activities performed, by an organizational unit.

# Index

## A

|                                 |     |
|---------------------------------|-----|
| Abbreviations and Acronyms..... | 287 |
| Appendix.....                   | 263 |
| Awards.....                     | 32  |

## B

|                                      |     |
|--------------------------------------|-----|
| Budget Guidelines.....               | 22  |
| Budget Development and Document..... | 27  |
| Budget Process, FY 2020-21.....      | 26  |
| Budget Summary.....                  | 36  |
| Building Safety and Housing.....     | 119 |

## C

|   |     |
|---|-----|
| Capital Improvement Program Overview..... | 243 |
| Capital Improvement Program Summary.....  | 243 |
| City Attorney .....                       | 111 |
| City Clerk.....                           | 95  |
| City Council.....                         | 79  |
| City Council: Elected Officials.....      | iii |
| City Manager.....                         | 85  |
| Community Improvement Projects.....       | 247 |
| Council Priority Areas.....               | iv  |

## D

|                          |   |
|--------------------------|---|
| Demographic Profile..... | 3 |
|--------------------------|---|

## E

|                               |     |
|-------------------------------|-----|
| Economic Development.....     | 103 |
| Engineering.....              | 131 |
| Expenditure Descriptions..... | 269 |

|                                    |    |
|------------------------------------|----|
| Expenditures by Function.....      | 68 |
| Expenditures by Fund (Detail)..... | 60 |
| Expenditures by Fund.....          | 58 |

## F

|  |     |
|--|-----|
| Finance.....                             | 141 |
| Financial Information.....               | 35  |
| Fire.....                                | 153 |
| Fiscal Policies.....                     | 17  |
| Fund Descriptions.....                   | 263 |
| Fund Structure.....                      | 35  |
| Funded Permanent Positions by Department | 40  |

## G

|                                   |     |
|-----------------------------------|-----|
| General Fund Revenue History..... | 55  |
| Glossary of Terms.....            | 289 |

## H

|                      |     |
|----------------------|-----|
| History.....         | 2   |
| Human Resources..... | 165 |

## I

|                               |     |
|-------------------------------|-----|
| Information Technology.....   | 173 |
| Internal Cost Allocation..... | 70  |

## L

|  |     |
|--|-----|
| Letter of Transmittal.....                   | v   |
| List of Departments/Divisions/Functions..... | 278 |
| List of Expenditures.....                    | 284 |
| List of Funds.....                           | 277 |
| List of Revenues.....                        | 280 |



**M**

|          |   |
|----------|---|
| Map..... | 7 |
|----------|---|

**N**

|                       |     |
|-----------------------|-----|
| Non-Departmental..... | 239 |
|-----------------------|-----|

**O**

|                                    |    |
|------------------------------------|----|
| Operating Transfers Statement..... | 72 |
| Organization Chart.....            | 1  |

**P**

|                                |     |
|--------------------------------|-----|
| Park Improvement Projects..... | 252 |
| Planning.....                  | 181 |
| Police.....                    | 193 |
| Public Works.....              | 205 |

**R**

|  |     |
|--|-----|
| Recreation and Community Services.....     | 223 |
| Revenues and Expenditures (All Funds)..... | 38  |
| Revenues by Fund (Detail).....             | 45  |
| Revenues by Fund.....                      | 43  |
| Revenue Descriptions.....                  | 266 |

**S**

|                                  |     |
|----------------------------------|-----|
| Sewer Improvement Projects.....  | 260 |
| Street Improvement Projects..... | 254 |

**V**

|                               |    |
|-------------------------------|----|
| Vision, Values and Goals..... | ii |
|-------------------------------|----|

**W**

|                                 |     |
|---------------------------------|-----|
| Water Improvement Projects..... | 258 |
|---------------------------------|-----|

